

## Resolution on Tax Expenditures

**Whereas** the Washington State tax code is currently riddled with 567 tax expenditures (exemptions, subsidies or preferences), many of which favor narrow special interests; and

**Whereas**, unlike budget items, which are regularly scrutinized during the budget-writing process, these expenditures commonly continue unexamined session after session; and

**Whereas** the problem is getting worse, in that 116 new tax expenditures were enacted during the last decade alone, costing Washington taxpayers \$1.6 billion over the next two years; and in the 2011 session, confronting a \$5 billion revenue shortfall, legislators from both parties proposed still another 35 tax expenditures that, if enacted, would drain an additional \$97 million from available revenues during the fiscal biennium ending in 2013; and

**Whereas** the multi-billion dollar revenue shortfall caused by the current deep recession was addressed by the Legislature with an all-cuts budget, severely damaging essential programs and the overall quality of life in our state and shifting the tax burden to the general public;

**Therefore, be it resolved** that we urge the Washington State Democratic Party and the Washington State Legislature to support legislation mandating that each tax exemption (exemption, subsidy or preference) carry an expiration date, to assure that each is subjected to regular scrutiny as to whether it merits renewal; and

**Be it further resolved** that fiscal management be improved by allowing any tax expenditure to be modified or eliminated by a simple majority vote, and

**Be it further resolved** that, in the interests of transparency, accountability and clear intent, minimum annual reporting requirements be established for any business benefiting from a tax expenditure, so that those among our 567 tax expenditures that produce no public benefit will be ended promptly.

*Adopted* \_\_\_\_\_ *by* \_\_\_\_\_

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August 3, 2011  
Edited by KCDCC Resolutions Committee