

Please review for further detail the "**House Democrats roll out five-part revenue proposal.**"

It does not have a B&O tax on onsite property managers. It does have .5% increase on lawyers, accountants, agents (not real-estate), marketing and management consultants (Pat IV).

Part III **puts the sales tax on janitorial services** – not sure if this raises the B&O tax – we need to see actual language of the bill.

Please review the links by the House Democrats/Rep. Hunter:

Summary of our proposal with a chart outlining what this funding will help protect:

http://housedemocrats.wa.gov/HouseRevenueProposal_Summary.pdf

Details about the specifics of the proposal:

http://housedemocrats.wa.gov/HouseRevenueProposal_Detail.pdf

There will be a hearing on this bill: tomorrow, **Tuesday, March 2** at **9:00 a.m.** in the **House Finance Committee** in the **John L. O'Brien Building Room A.**

Many thanks.

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House Democrats roll out five-part revenue proposal

Monday, March 01 2010 - [House Democrats](#)

Hunter says economic recovery depends on smart action to preserve key programs

Olympia, WA – House Finance Chairman, [Rep. Ross Hunter](#) (D-Medina) today outlined a five-part revenue proposal that seeks to protect funding for education, health care, financial aid and critical safety net programs.

“We’ve scrubbed the budget. We’ve gone line-by-line and made billions in cuts, found ways to do things more cheaply and efficiently,” said Hunter. “But this recession has battered our state budget. Washington’s economic recovery hinges on what happens in the next few weeks. We have to make balanced, reasoned choices about how we protect important investments in financial aid, education and children’s health care. Those choices must be balanced against the impact on our economy when we make changes to our tax code.”

The House proposal would generate about \$758 million for the 2009-2011 biennium, primarily by ending certain tax exemptions and closing tax loopholes. Additional anticipated budget actions will generate about \$100 million.

- Part One is an amended version of Hunter’s House Bill 3176 which closes about \$385 million in tax loopholes and tax avoidance schemes. The funds will be used to maintain lower class-size in grades K-4, provide levy equalization around the state, and maintain financial aid for college students.
- Part Two increases the cigarette tax by \$1 per pack of cigarettes and equalizes the tax on other tobacco products. The \$111 million raised will help maintain the Basic Health Plan, Apple Health for Kids, and tobacco prevention programs.
- Part Three ends the sales tax exemption for products and services such as elective cosmetic surgery, candy and gum, custom software, janitorial services and bottled water. It generates about \$163 million for public health, children’s dental care, children’s health, and services for the disabled.
- Part Four increases B&O rates by 0.5 percent for certain professional service providers such as lawyers and accountants. It also removes a B&O tax exemption on investment earnings beyond \$250,000 for non-financial firms. It raises about \$99 million for financial aid, levy equalization, and natural resources.
- Part Five includes other anticipated operating budget actions and raises \$100 million for natural resources and public education.

“We’ve spent weeks analyzing all kinds of options, gathering feedback and making substantive changes in response to the concerns we’ve heard,” said Hunter. “Ultimately, in looking at the options, we had to ask what was more important - preserving a tax exemption for out of state food distributors that our in-state companies don’t get or preserving that funding to help thousands of Washington kids go to college?”

“Our focus was on removing exemptions and closing loopholes. This approach makes sure everyone is doing their fair share in helping our state get back on its feet.”

The House Finance Committee will take up the proposal tomorrow at 9 a.m.