

# Bipartisan state tax transparency website bill proposed

By JASON MERCIER | BLOG | Jan 28, 2019

A bipartisan group of Senators is trying once again to bring the state a tax transparency website to help make sense of the nearly 1,800 taxing districts taxpayers may be subject to. SB 5631 (Concerning transparency in state and local taxation) is sponsored by Senators Brown, Becker, Fortunato, Schoesler, Warnick, Palumbo and Wilson (Lynda).

There are approximately 1,800 taxing districts in the state whose officials impose various taxes on Washingtonians. There is no single resource, however, to help individuals and businesses learn which taxing districts and rates they are subject to, and how much officials in each taxing district add to their total tax burden. A typical home, for example, can be located in as many as ten different taxing districts.

Increasing the ease of public access to state and local tax rates would enhance trust in government and increase the public's understanding of the cost of government services. Improved transparency would also facilitate meaningful tax competition among taxing districts, because taxpayers could compare different tax burdens based on where they decide to live or locate their businesses.

The *Seattle Times* recently posted an example of what type of info a taxpayer transparency tool could provide with its calculator showing business taxes for various cities.

Sen. Brown told me this about why she sponsored SB 5631:

“This bipartisan legislation is a great tool that will allow the public an easier, more efficient way to access state and local tax information. It is the people's money and the people should have the ability to easily access how they are taxed.”

It looked like taxpayers were going to be provided this tax transparency resource last year when lawmakers adopted the 2018 supplemental budget. The budget included a proviso that would have created an online searchable tax database where citizens could find their state and local tax rates (such as property and sales taxes) by entering a zip code, street address, or by clicking on a map showing individual taxing district boundaries. An online

calculator would have been provided for educational purposes, to allow individuals and business owners to estimate their total tax burden and which officials are responsible for imposing it on them.

That tax transparency budget proviso was based on language from SB 6590 in 2018 that was sponsored by Senators Fain and Palumbo. Governor Inslee, however, vetoed the bipartisan budget proviso for a tax transparency website saying not enough funds were provided to implement it.

Though not a direct apples to apples comparison, there is a benchmark we can use to compare the cost estimate for the tax transparency website. Based on the experience with the state's budget website ([fiscal.wa.gov](http://fiscal.wa.gov)), the fiscal note last year was likely on the very high end. According to the Legislative Evaluation and Accountability Program Committee (LEAP), the startup costs for [fiscal.wa.gov](http://fiscal.wa.gov) was approximately \$300,000 with operating costs of around \$190,000. This is clearly higher than the \$150,000 allocated in the 2018 supplemental for the tax transparency website but far below the \$1.2 million fiscal note for the proposal.

Discussing why he is again co-sponsoring this proposal Sen. Palumbo told me:

"This website would be a much-needed window into our tax system. The information belongs to the people, and it's past time that it was easily accessible. We made progress building support for the idea in the legislature last year, and I'm confident that this year we can work out the funding details to get this site up and running."

As I told the House Finance Committee last week, to help improve the transparency of state and local taxation it is our hope lawmakers will act again on this bipartisan proposal to create an online searchable database of all tax districts and tax rates in the state. Hopefully the Governor will sign it into law this time.