

# SENATE BILL REPORT

## HJM 4001

---

As Reported By Senate Committee On:  
Ways & Means, April 1, 1999

**Brief Description:** Petitioning Congress to reinstate income tax deduction for state sales tax.

**Sponsors:** Representatives O'Brien, Clements, Doumit, Ballasiotes, Lovick, Sheahan, Anderson, Wensman, Dickerson, DeBolt, Conway, Alexander, Tokuda, Grant, Skinner, Scott, McMorris, Regala, Wood, Constantine, Kessler, Stensen, Carrell, Bush, Kenney, Carlson, Barlean, Hurst, Lantz, Ogden, Mitchell, Campbell, H. Sommers, D. Schmidt, Dunn, Santos, Edmonds, Esser and McIntire.

**Brief History:**

**Committee Activity:** Ways & Means: 3/30/99, 4/1/99 [DP].

---

### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Loveland, Chair; Bauer, Vice Chair; Fairley, Fraser, Honeyford, Long, McDonald, Rasmussen, Rossi, B. Sheldon, Snyder, Thibaudeau, West and Zarelli.

**Staff:** Terry Wilson (786-7433)

**Background:** In 1986, federal tax changes removed the itemized deduction for state and local sales taxes on federal income tax returns. State and local income taxes and property taxes continue to be deductible as itemized deductions.

**Summary of Bill:** Congress is requested to restore the itemized deduction for sales taxes.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** The principal architect behind the federal legislation was Senator Packwood from Oregon and Oregon has no sales tax. This would save an average of \$450 per year per taxpayer.

**Testimony Against:** None.

**Testified:** Representative O'Brien, prime sponsor (pro).