



STATE OF WASHINGTON
OFFICE OF FINANCIAL MANAGEMENT

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October 2, 2014

TO: Keenan Konopaski, Legislative Auditor
Joint Legislative Audit and Review Committee

FROM: Carol K. Nelson, Director
Department of Revenue

David Schumacher, Director
Office of Financial Management

**SUBJECT: JLARC PRELIMINARY REPORT ON 2014 TAX PREFERENCE
PERFORMANCE REVIEWS**

The Washington State Department of Revenue and the Office of Financial Management appreciate the opportunity to review and comment on the Joint Legislative Audit and Review Committee's (JLARC's) preliminary report on scheduled 2014 tax preference performance reviews.

We believe that continuous review of state tax preferences is important to help Washington State maintain a fair and equitable tax system. We appreciate the thorough analysis that has been done by JLARC and the Citizen Commission for Performance Measurement of Tax Preferences. In particular, we commend JLARC's efforts to further understand and analyze the impacts of the aerospace industry tax preferences.

While we have no specific comments on the 2014 report, we thank you for the opportunity to review this material and recommendations made by JLARC.

cc: Alex Pietsch, Director of Aerospace
Department of Commerce

