
HOUSE BILL 2222

State of Washington 52nd Legislature 1991 1st Special Session

By Representatives Wang, Cole, Leonard, Brekke, Valle, Orr, Prentice, Nelson, Pruitt and Jones.

Read first time June 17, 1991. Referred to Committee on Revenue.

1 AN ACT Relating to public disclosure of taxes paid by publicly held
2 corporations; amending RCW 82.32.045 and 82.32.330; and creating a new
3 section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that all
6 residents and businesses in this state receive public benefits from
7 state government in many forms, including but not limited to public
8 education, public safety, health, welfare, and other human services,
9 protection of the environment and natural resources, and economic
10 development.

11 (2) The legislature further finds that all residents and businesses
12 in this state share an obligation to help finance the public benefits
13 provided by state government. While recognizing the importance of
14 protecting proprietary information, the legislature finds that it is in
15 the public interest for citizens to know whether large publicly held

1 corporations are paying their fair share of the tax burden in this
2 state.

3 **Sec. 2.** RCW 82.32.045 and 1983 2nd ex.s. c 3 s 63 are each amended
4 to read as follows:

5 (1) Except as otherwise provided in this chapter, payments of the
6 taxes imposed under chapters 82.04, 82.08, 82.12, 82.14, and 82.16 RCW,
7 along with reports and returns on forms prescribed by the department,
8 are due monthly within twenty-five days after the end of the month in
9 which the taxable activities occur.

10 (2) The department of revenue may relieve any taxpayer or class of
11 taxpayers from the obligation of remitting monthly and may require the
12 return to cover other longer reporting periods, but in no event may
13 returns be filed for a period greater than one year. For these
14 taxpayers, tax payments are due on or before the last day of the month
15 next succeeding the end of the period covered by the return.

16 (3) The department of revenue may also require verified annual
17 returns from any taxpayer, setting forth such additional information as
18 it may deem necessary to correctly determine tax liability.

19 (4) Publicly held corporations shall also file annual information
20 returns by April 30th of each year, in respect to the previous calendar
21 year, if the amount of tax due for the year on the department's
22 combined excise tax return is one million eight hundred thousand
23 dollars or more. For the purposes of determining whether an
24 information return is required under this subsection, the amount of tax
25 due shall be determined in the same manner as it is determined for the
26 electronic funds transfer requirement under RCW 82.32.080. The
27 information return shall include the amounts of tax paid for the year
28 for each of the following categories. Subitemizing within each of the
29 categories in (a) through (k) of this subsection is not required:

1 (a) The amount of state business and occupation tax under chapter
2 82.04 RCW.

3 (b) The amount of state public utility tax under chapter 82.16 RCW.

4 (c) The amount of state and local sales and use tax under chapters
5 82.08 and 82.14 RCW, collected on behalf of government, as opposed to
6 paid as a consumer.

7 (d) The amount of state and local sales and use tax under chapters
8 82.08, 82.12, and 82.14 RCW, paid as a consumer.

9 (e) The amount of state leasehold excise tax under chapter 82.29A
10 RCW.

11 (f) The amount of state real estate excise tax under chapter 82.45
12 RCW.

13 (g) The amount of timber excise tax under chapter 84.33 RCW.

14 (h) The amount of property tax under chapter 84.56 RCW.

15 (i) The amount of insurance premiums tax under chapter 48.14 RCW.

16 (j) The amount of unemployment compensation contributions under
17 chapter 50.24 RCW.

18 (k) The amount of all other state taxes, including but not limited
19 to hazardous substance tax, petroleum products tax, and vehicle excise
20 taxes, listed as a single item.

21 (5) The department shall compile and publish the information
22 returns filed under subsection (4) of this section, together with
23 appropriate summary and explanatory material.

24 **Sec. 3.** RCW 82.32.330 and 1991 c 330 s 1 are each amended to read
25 as follows:

26 (1) For purposes of this section:

27 (a) "Disclose" means to make known to any person in any manner
28 whatever a return or tax information;

1 (b) "Return" means a tax or information return or claim for refund
2 required by, or provided for or permitted under, the laws of this state
3 which is filed with the department of revenue by, on behalf of, or with
4 respect to a person, and any amendment or supplement thereto, including
5 supporting schedules, attachments, or lists that are supplemental to,
6 or part of, the return so filed;

7 (c) "Tax information" means (i) a taxpayer's identity, (ii) the
8 nature, source, or amount of the taxpayer's income, payments, receipts,
9 deductions, exemptions, credits, assets, liabilities, net worth, tax
10 liability deficiencies, overassessments, or tax payments, whether taken
11 from the taxpayer's books and records or any other source, (iii)
12 whether the taxpayer's return was, is being, or will be examined or
13 subject to other investigation or processing, (iv) a part of a written
14 determination that is not designated as a precedent and disclosed
15 pursuant to RCW 82.32.--- (section 2, chapter 330, Laws of 1991), or a
16 background file document relating to a written determination, and (v)
17 other data received by, recorded by, prepared by, furnished to, or
18 collected by the department of revenue with respect to the
19 determination of the existence, or possible existence, of liability, or
20 the amount thereof, of a person under the laws of this state for a tax,
21 penalty, interest, fine, forfeiture, or other imposition, or offense:
22 PROVIDED, That data, material, or documents that do not disclose
23 information related to a specific or identifiable taxpayer do not
24 constitute tax information under this section. Except as provided by
25 RCW 82.32.---(1) (section 2(1), chapter 330, Laws of 1991), nothing in
26 this chapter shall require any person possessing data, material, or
27 documents made confidential and privileged by this section to delete
28 information from such data, material, or documents so as to permit its
29 disclosure;

1 (d) "State agency" means every Washington state office, department,
2 division, bureau, board, commission, or other state agency; and

3 (e) "Taxpayer identity" means the taxpayer's name, address,
4 telephone number, registration number, or any combination thereof, or
5 any other information disclosing the identity of the taxpayer.

6 (2) Returns and tax information shall be confidential and
7 privileged, and except as authorized by this section, neither the
8 department of revenue nor any officer, employee, agent, or
9 representative thereof nor any other person may disclose any return or
10 tax information.

11 (3) The foregoing, however, shall not prohibit the department of
12 revenue or an officer, employee, agent, or representative thereof from:

13 (a) Disclosing such return or tax information in a civil or
14 criminal judicial proceeding or an administrative proceeding:

15 (i) In respect of any tax imposed under the laws of this state if
16 the taxpayer or its officer or other person liable under Title 82 RCW
17 is a party in the proceeding; or

18 (ii) In which the taxpayer about whom such return or tax
19 information is sought and another state agency are adverse parties in
20 the proceeding;

21 (b) Disclosing, subject to such requirements and conditions as the
22 director shall prescribe by rules adopted pursuant to chapter 34.05
23 RCW, such return or tax information regarding a taxpayer to such
24 taxpayer or to such person or persons as that taxpayer may designate in
25 a request for, or consent to, such disclosure, or to any other person,
26 at the taxpayer's request, to the extent necessary to comply with a
27 request for information or assistance made by the taxpayer to such
28 other person: PROVIDED, That tax information not received from the
29 taxpayer shall not be so disclosed if the director determines that such
30 disclosure would compromise any investigation or litigation by any

1 federal, state, or local government agency in connection with the civil
2 or criminal liability of the taxpayer or another person, or that such
3 disclosure is contrary to any agreement entered into by the department
4 that provides for the reciprocal exchange of information with other
5 government agencies which agreement requires confidentiality with
6 respect to such information unless such information is required to be
7 disclosed to the taxpayer by the order of any court;

8 (c) Disclosing the name of a taxpayer with a deficiency greater
9 than five thousand dollars and against whom a warrant under RCW
10 82.32.210 has been either issued or (~~failed~~) filed and remains
11 outstanding for a period of at least ten working days. The department
12 shall not be required to disclose any information under this subsection
13 if a taxpayer: (i) Has been issued a tax assessment; (ii) has been
14 issued a warrant that has not been filed; and (iii) has entered a
15 deferred payment arrangement with the department of revenue and is
16 making payments upon such deficiency that will fully satisfy the
17 indebtedness within twelve months;

18 (d) Disclosing the name of a taxpayer with a deficiency greater
19 than five thousand dollars and against whom a warrant under RCW
20 82.32.210 has been filed with a court of record and remains
21 outstanding;

22 (e) Publishing statistics so classified as to prevent the
23 identification of particular returns or reports or items thereof;

24 (f) Disclosing such return or tax information, for official
25 purposes only, to the governor or attorney general, or to any state
26 agency, or to any committee or subcommittee of the legislature dealing
27 with matters of taxation, revenue, trade, commerce, the control of
28 industry or the professions;

1 (g) Permitting the department of revenue's records to be audited
2 and examined by the proper state officer, his or her agents and
3 employees;

4 (h) Disclosing any such return or tax information to the proper
5 officer of the internal revenue service of the United States, the
6 Canadian government or provincial governments of Canada, or to the
7 proper officer of the tax department of any state or city or town or
8 county, for official purposes, but only if the statutes of the United
9 States, Canada or its provincial governments, or of such other state or
10 city or town or county, as the case may be, grants substantially
11 similar privileges to the proper officers of this state; or

12 (i) Disclosing any such return or tax information to the Department
13 of Justice, the Bureau of Alcohol, Tobacco and Firearms of the
14 Department of the Treasury, the Department of Defense, the United
15 States customs service, the coast guard of the United States, and the
16 United States department of transportation, or any authorized
17 representative thereof, for official purposes;

18 (j) Publishing or otherwise disclosing the text of a written
19 determination designated by the director as a precedent pursuant to RCW
20 82.32.--- (section 2, chapter 330, Laws of 1991); ((~~or~~))

21 (k) Disclosing, in a manner that is not associated with other tax
22 information, the taxpayer name, business address, mailing address,
23 revenue tax registration numbers, standard industrial classification
24 code of a taxpayer, and the dates of opening and closing of business;
25 or

26 (l) Publishing information returns and summaries under RCW
27 82.32.045(5).

28 (4) Any person acquiring knowledge of any return or tax information
29 in the course of his or her employment with the department of revenue
30 and any person acquiring knowledge of any return or tax information as

1 provided under subsection (3)(f), (g), (h), or (i) of this section, who
2 discloses any such return or tax information to another person not
3 entitled to knowledge of such return or tax information under the
4 provisions of this section, shall upon conviction be punished by a fine
5 not exceeding one thousand dollars and, if the person guilty of such
6 violation is an officer or employee of the state, such person shall
7 forfeit such office or employment and shall be incapable of holding any
8 public office or employment in this state for a period of two years
9 thereafter.