
HOUSE BILL 1570

State of Washington

54th Legislature

1995 Regular Session

By Representative L. Thomas

Read first time 01/31/95. Referred to Committee on Finance.

1 AN ACT Relating to the collection of taxes owed to taxing agencies;
2 amending RCW 50.24.060, 51.16.155, 51.48.140, 51.48.160, 51.48.210,
3 51.48.230, 82.32.090, 82.32.215, 82.32.235, 82.32.330, 82.32.340,
4 84.64.080, 49.52.040, 50.12.220, 50.44.060, 82.32.265, and 82.42.060;
5 adding new sections to chapter 61.24 RCW; adding a new chapter to Title
6 60 RCW; and repealing RCW 46.87.340, 46.87.360, 46.87.370, 50.24.040,
7 50.24.050, 50.24.080, 50.24.090, 50.24.100, 50.24.115, 51.16.170,
8 51.16.180, 51.48.170, 51.48.180, 51.48.190, 51.48.200, 51.48.220,
9 82.32.210, 82.32.220, 82.32.230, 82.32.245, 82.36.047, 82.36.110,
10 82.36.130, 82.37.090, 82.38.210, 82.38.230, and 82.38.235.

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

12 NEW SECTION. **Sec. 1.** This chapter shall be known as the taxpayer
13 fairness and relief act.

14 NEW SECTION. **Sec. 2.** The legislature finds that complexities in
15 applying the existing state tax statutes is preventing the state from
16 collecting significant amounts of taxes owed by taxpayers who fail to
17 voluntarily pay their taxes as they come due. As a result other
18 taxpayers must pay more than their fair share. The intention of the

1 legislature in this chapter is to provide a more effective, uniform,
2 and fair collection of state taxes, thereby protecting taxpayers who
3 pay their taxes voluntarily and enhancing the revenues of the state.

4 NEW SECTION. **Sec. 3.** Unless the context clearly requires
5 otherwise, the definitions in this section apply throughout this
6 chapter.

7 (1) "Tax" means the following taxes and contributions:

8 (a) Employers' contributions under Title 50 RCW;

9 (b) Premiums under Title 51 RCW;

10 (c) Taxes subject to the provisions of chapter 82.32 RCW, under RCW
11 82.32.010, except the watercraft excise tax under chapter 82.49 RCW;

12 (d) Motor vehicle fuel tax under chapter 82.36 RCW;

13 (e) Special fuel tax under chapter 82.38 RCW;

14 (f) Motor vehicle fuel importer tax under chapter 82.37 RCW; and

15 (g) Taxes required under the proportional registration provisions
16 of chapter 46.87 RCW.

17 (2) "Taxpayer" means any person or entity, other than a taxing
18 agency of the state, liable for the payment or collection of any tax.

19 NEW SECTION. **Sec. 4.** If any person or entity liable for a tax
20 fails to pay the tax, after demand, a lien in favor of the state of
21 Washington shall arise and be fully perfected on the date of the demand
22 for the tax. The lien amount shall include any unpaid interest,
23 penalties, and costs including subsequent collection costs and
24 attorneys' fees as provided in section 18 of this act. The lien shall
25 attach to all property and rights to property, whether real or
26 personal, belonging to the person or entity or thereafter acquired
27 during the existence of the lien. The lien created by this section
28 shall be subordinate to any consensual security interest in real
29 property or personal property, including rents and fixtures, any
30 judgment lien, and the interest of any bona fide purchaser for value,
31 including, without limitation, the interest of a purchaser under a real
32 estate contract, that is recorded or filed against such property
33 consistent with applicable law, or perfected in accordance with Title
34 62A RCW, prior to the recording or filing of notice of the lien in
35 accordance with sections 5 and 6 of this act, as applicable.

1 NEW SECTION. **Sec. 5.** Notice of the lien created by section 4 of
2 this act may be recorded as to real property and fixtures with the
3 county auditor in any county in which the taxpayer owns real property.

4 NEW SECTION. **Sec. 6.** Notice of the lien created by section 4 of
5 this act may be filed as to tangible or intangible personal property
6 with the department of licensing in Olympia. All such filed liens
7 shall be indexed by the department of licensing in the same manner of
8 indexing as financing statements pursuant to RCW 62A.9-402(4) and such
9 other tax lien recordings, including but not limited to liens claimed
10 by the United States under 26 U.S.C. Sec. 6321 et seq.

11 NEW SECTION. **Sec. 7.** The lien created in section 4 of this act
12 shall remain in full force and effect until satisfied, or until
13 released as uncollectible or legally unenforceable.

14 NEW SECTION. **Sec. 8.** The pendency of any tax appeal shall not
15 affect the perfection or priority of the lien. The lien may be
16 removed, pending appeal, upon the posting of suitable bond or other
17 security acceptable to the taxing agency. The amount of the bond shall
18 include the amount of the lien as of the date of posting of the bond,
19 and interest provided for by statute for the expected duration of the
20 appeal. The bond shall be provided by a surety acceptable to the
21 taxing agency. Any issue as to the bond shall be decided by motion to
22 the person or entity having jurisdiction to decide the appeal.

23 NEW SECTION. **Sec. 9.** Notice of the lien created by section 4 of
24 this act may be filed with the clerk of the superior court in any
25 county in the state. The clerk shall index the lien as if it were a
26 judgment obtained in the superior court by the taxing agency against
27 the taxpayer. Filing the lien, or failure to file the lien, as a
28 judgment lien, shall not impair the prior perfected lien of the state
29 or alter the rights or remedies otherwise provided for. This provision
30 for filing the lien as a judgment is intended to facilitate recording
31 the tax claim as a foreign judgment in another state or country.
32 Nothing contained in this section shall be construed to permit the
33 taxing agency to foreclose or otherwise realize upon a lien filed under
34 this section as a judgment lien unless and until the liability of the

1 **PERSONAL PROPERTY LOCATED IN THE STATE OF WASHINGTON BELONGING TO THIS**
2 **TAXPAYER.**

3 NAME OF TAXPAYER:
4 BUSINESS ADDRESS:
5
6

7 I If this section is marked and completed, the taxing agency is
8 asserting that the individual or entity named below holds property
9 of the taxpayer that is subject to this lien.

10 (THE RECORDING OFFICE SHALL INDEX THIS LIEN IN THE NAMES OF BOTH THE
11 TAXPAYER AND THE ENTITY OR INDIVIDUAL(S) SET FORTH BELOW.)

12 NAME OF ENTITY/INDIVIDUAL:
13 BUSINESS ADDRESS:
14
15

16 TAX	17 ú	TAX	BEGAN	ENDED	ASSESSMENT	AMOUNT	INTEREST
18		PERIOD			DATE	DUE	
19							
20							
21							
22							
23							

24 TOTAL DUE: \$

- 25 BASIS FOR TAX:
26 1 TAXPAYER REPORT
27 1 ESTIMATED TAX
28 1 JEOPARDY ASSESSMENT

29 I hereby certify that I have the authority to prepare and record and
30 file this notice of lien against the above-referenced account and that
31 information set forth herein is accurate to the best of my knowledge,
32 based on records maintained by the agency of the State of Washington
33 specified above.

34 Dated:
35 Signature:

1 Agent Name:
2 Address:
3
4 Telephone Number:

5 NEW SECTION. **Sec. 12.** The lien created by section 4 of this act
6 may be foreclosed either judicially or nonjudicially under applicable
7 state statute, at the sole discretion of the taxing agency. In
8 instances of non-judicial foreclosure under chapter 61.24 RCW, the
9 taxing agency may designate as trustee any employee of the state of
10 Washington, so long as the foreclosure process otherwise complies with
11 chapter 61.24 RCW.

12 NEW SECTION. **Sec. 13.** The taxing agency may distrain, seize, and
13 sell any personal property of the taxpayer without specific court order
14 or further administrative hearing after the lien arises using any
15 designated agent of the agency. A department in its discretion may
16 also issue an order under its official seal designating the sheriff of
17 the county in which property is located as its agent to levy upon and
18 sell such property as may be necessary to satisfy payment of
19 outstanding tax liability, costs of sale, and any other costs of
20 collection including attorneys' fees.

21 NEW SECTION. **Sec. 14.** (1) Upon seizing personal property, the
22 designated agent shall:

23 (a) Prepare a notice providing an inventory of the property seized
24 and a statement of the time and place of the sale of the property;

25 (b) Post in at least two public places in the county in which the
26 seizure has been made a notice specifying the property to be sold and
27 the time and place of sale; and

28 (c) Publish the notice twice in a newspaper of general circulation
29 within the county, between twenty-five and twenty-two days before sale
30 and between eleven and eight days before sale;

31 (d) Upon obtaining a certificate of UCC filing pursuant to RCW
32 62A.9-407, send such notice to any other secured party claiming an
33 interest that is junior or subordinate to the lien of the state. In
34 the notice, it shall be prominently stated that the disposition by sale
35 shall transfer all the debtor/taxpayer's rights, discharge all such

1 remaining junior or subordinate lien claims, and cause purchaser to
2 take free of all such rights and interests.

3 (2) The time of the sale shall be as follows:

4 (a) If nonperishable goods are involved, no sale shall be set
5 earlier than twenty-eight days after posting.

6 (b) If the goods involved are perishable, of a type that are
7 customarily sold on a recognized market, or threaten to decline
8 speedily in value, the goods may be sold as early as five days after
9 the later of posting or publication; but in any event there must be at
10 least one publication of notice of sale, at least five days before
11 sale.

12 (3) Upon a showing of good cause the superior court of the county
13 in which the sale is to be conducted may authorize a sale waiving or
14 modifying any or all of the time, notice, or publication requirements
15 of this section.

16 NEW SECTION. **Sec. 15.** (1) The sale of personal property may be
17 continued from time to time without further notice or publication, but
18 the sale must be held within sixty days of the date originally set.

19 (2) The agent may sell by parcel, lot, or unit at public auction
20 and may set a minimum bid price to include costs of the sale and
21 storage of the property.

22 (3) If not otherwise prohibited by applicable statute, the agent
23 may cause the property to be included, in whole or in part, in a
24 commercial auction, subject to the procedures set forth in this
25 chapter, if the taxing agency has reason to believe the highest and
26 best price can be obtained by this process in lieu of public auction by
27 the agency itself.

28 (4) If no bid is received, or if no bid is received meeting a
29 minimum price that was set, the taxing agency shall be deemed to be the
30 successful bidder at the minimum price, or at the amount of the costs
31 of storing and selling the property if no minimum price was set. The
32 tax lien shall be reduced by the amount received from the sale or the
33 amount deemed to constitute the taxing agency's successful bid.

34 (5) Successful bidders shall be entitled to a bill of sale, or
35 deed without warranty, stating that the sale is without warranty as to
36 status of title or condition of property, and that transfer is only of
37 such right, title, or interest as the taxing agency may have in the
38 property.

1 NEW SECTION. **Sec. 16.** Any proceeds of the personal property sale
2 shall be used, first, to pay the costs of the sale; second, to satisfy
3 the lien of the taxing agency, including all accrued penalties,
4 interest, attorneys' fees, and costs. Any surplus remaining thereafter
5 shall be returned to the taxpayer, unless a party holding a junior or
6 subordinate security interest in the collateral sends written
7 notification of demand to the taxing agency for payment of remaining
8 proceeds, before distribution is completed. Upon receipt of such
9 demand, the state shall deposit the remaining funds into the registry
10 of the court by interpleader and thereafter be exonerated from any
11 further liability in relation thereto. The state may deduct from the
12 interpleader deposit its legal costs and fees incurred in preparing the
13 interpleader action.

14 Written notification shall be given by the court to all junior
15 lien holders of record on the date of sale using the following
16 procedure:

17 (1) No later than five days after the funds are deposited, the
18 clerk of the court shall notify all claimants of the surplus sales
19 proceeds, identifying the taxpayer, tax account, reasonably identifying
20 the personal property previously sold by the taxing agency.

21 (2) The notification shall set forth a bar date, for filing demand
22 for payment, which shall be no later than forty-five days after deposit
23 of funds with the court.

24 (3) Prior to the deadline, claimants must file pleadings with the
25 court and serve upon other claimants of record, asserting their right,
26 title, and priority in the surplus sales proceeds.

27 (4) The court shall determine the right, title, and interest of
28 claimants in the surplus proceeds. All court costs, including the
29 filing fee, shall be paid as the first priority.

30 NEW SECTION. **Sec. 17.** The taxing agency may seek the appointment
31 of a receiver pursuant to Title 7 RCW, to operate a business or retain
32 possession and control of property for an initial term of up to six
33 months, renewable thereafter. Property may be sold by the receiver
34 free and clear of liens, with rights attaching to the proceeds in the
35 same nature, rank, and priority as the liens had on the property.

36 (1) The taxpayer shall be liable for all federal and state taxes
37 on any gain realized by the sale of such property.

1 (2) It shall not be a defense or bar to the proposed sale of
2 property that the liens attaching to the property exceed the property's
3 value.

4 NEW SECTION. **Sec. 18.** When a lien arises under this chapter, the
5 taxing agency shall be entitled to all reasonable attorneys' fees and
6 costs related to collection of the amounts due.

7 Such fees and costs shall attach with the lien in the same
8 priority as the lien and shall accrue in connection with nonjudicial
9 collection efforts and collection efforts in all state or federal court
10 proceedings, including appeals.

11 NEW SECTION. **Sec. 19.** If the agent responsible for collection
12 has reason to believe that cause exists that the collection of any
13 taxes accrued will be jeopardized by delaying collection, the taxing
14 agency may make an immediate demand and may proceed to enforce
15 collection immediately under the provisions of this chapter, but
16 interest and penalties will not begin to accrue upon any taxes until
17 the date when such taxes would normally have become delinquent. There
18 shall be no sale of property seized until the date when such taxes
19 would normally have become delinquent and until the resolution of any
20 appeal from the jeopardy assessment. Cause includes, but is not
21 limited to the following events:

22 (1) The taxpayer has transferred assets to another entity or
23 individual outside the ordinary course of business;

24 (2) The taxpayer has manifested an intent to transfer assets
25 outside the state of Washington outside the ordinary course of
26 business;

27 (3) A tax payment has been returned "insufficient funds" or
28 "account closed";

29 (4) The taxpayer has transferred property with intent to hinder,
30 delay, or defraud present or future creditors;

31 (5) The taxpayer has absconded or absented itself from the state
32 with intent to hinder, delay, or defraud creditors;

33 (6) The taxpayer has manifested an intent to discontinue business;

34 (7) The taxpayer has failed, refused, or neglected to timely file
35 reports as required by any state, local, federal, or other governmental
36 unit under applicable law;

1 (8) The taxpayer has been charged with any of the following
2 offenses:

3 (a) Failure to report or pay taxes;

4 (b) Fraud;

5 (c) Theft;

6 (d) Consumer fraud; or

7 (e) Securities fraud;

8 (9) The taxpayer has made an assignment for the benefit of
9 creditors;

10 (10) The taxpayer has lost control of the business entity to a
11 court-appointed receiver; or

12 (11) The taxpayer has been served with pleadings to revoke its
13 state certificate of registration or has been served with pleadings to
14 revoke any other state-granted certificate or license.

15 NEW SECTION. **Sec. 20.** When:

16 (1) A tax lien remains unsatisfied;

17 (2) There is probable cause to believe that property or business
18 records of the taxpayer have been removed or secreted from their
19 premises or are in the possession of a third party; or

20 (3) The taxpayer has prevented access to the business premises,
21 any judge of the superior or district court in the county in which the
22 property is located, may, upon request of the agent of a taxing agency,
23 issue a warrant authorizing the sheriff or officers of the department
24 to search for and seize the property described in the request for
25 warrant. Application for, issuance, and execution and return of this
26 warrant shall be made in accordance with criminal rules of the superior
27 or district court from which the warrant issues.

28 NEW SECTION. **Sec. 21.** The provisions of this chapter regarding
29 the perfection, priority, and collection of state tax liens, and the
30 recovery of the costs of collection, apply to every state tax lien
31 existing on the effective date of this act including liens arising from
32 the filing of warrants and claims of liens, and liens arising from
33 other procedures authorized by statute.

34 NEW SECTION. **Sec. 22.** Statutory rights of administrative
35 garnishment, offset, recoupment, notices to withhold and deliver, and
36 other collection mechanisms are preserved with the adoption of this

1 chapter, along with other rights afforded a creditor under state law
2 for supplemental proceedings.

3 NEW SECTION. **Sec. 23.** A new section is added to chapter 61.24
4 RCW to read as follows:

5 When the state of Washington holds a lien, claim of lien, warrant,
6 prejudgment attachment, encumbrance, or judgment of record at the time
7 a notice of trustee sale issues from the trustee of record, the trustee
8 must concurrently send to the state of Washington the following
9 information:

- 10 (1) Notice of trustee's sale;
- 11 (2) Notice of foreclosure;
- 12 (3) Title report; and
- 13 (4) Such other information as the internal revenue service then
14 requires under applicable statute or regulation.

15 The information shall be served upon the state at an address and
16 in a manner designated by rules set forth in the Washington
17 Administrative Code.

18 NEW SECTION. **Sec. 24.** A new section is added to chapter 61.24
19 RCW to read as follows:

20 The trustee shall obtain a title report update thirty days prior
21 to sale. Should a state of Washington lien, claim of lien, warrant,
22 prejudgment attachment, encumbrance, or judgment then appear of record
23 for the first time, the trustee must concurrently send to the state of
24 Washington the documents and information set forth in section 23 of
25 this act within the same deadlines then established by the internal
26 revenue service under applicable statute or rule.

27 NEW SECTION. **Sec. 25.** The provisions of this chapter insofar as
28 they are substantially the same as statutory provisions repealed by
29 this act, and relate to the same subject matter, shall be construed as
30 restatements and continuations of the law, and not as new enactments.

31 **Sec. 26.** RCW 50.24.060 and 1983 1st ex.s. c 23 s 15 are each
32 amended to read as follows:

33 In the event of any distribution of an employer's assets pursuant
34 to an order of any court, including any receivership, probate, legal
35 dissolution, or similar proceeding, or in case of any assignment for

1 the benefit of creditors, composition, or similar proceeding,
2 contributions, interest, or penalties then or thereafter due shall be
3 a lien upon all the assets of such employer. Said lien will be prior
4 to all other liens or claims except prior tax liens, other liens
5 provided by this title, and claims for remuneration for services of not
6 more than two hundred and fifty dollars to each claimant earned within
7 six months of the commencement of the proceeding. The mere existence
8 of a condition of insolvency or the institution of any judicial
9 proceeding for legal dissolution or of any proceeding for distribution
10 of assets shall cause such a lien to attach without action on behalf of
11 the commissioner or the state. (~~In the event of an employer's
12 adjudication in bankruptcy, judicially confirmed extension proposal, or
13 composition, under the federal bankruptcy act of 1898, as amended,
14 contributions, interest, or penalties then or thereafter due shall be
15 entitled to such priority as provided in that act, as amended.~~)

16 **Sec. 27.** RCW 51.16.155 and 1985 c 315 s 3 are each amended to
17 read as follows:

18 In every case where an employer insured with the state fails or
19 refuses to file any report of payroll required by the department and
20 fails or refuses to pay the premiums due on such unreported payroll,
21 the department shall have authority to estimate such payroll and the
22 premiums due thereon and collect premiums on the basis of such
23 estimate.

24 If the report required and the premiums due thereon are not made
25 within ten days from the mailing of such demand by the department,
26 which shall include the amount of premiums estimated by the department,
27 the employer shall be in default as provided by this title and the
28 department may have and recover judgment(~~(, warrant,)~~) or file liens
29 for such estimated premium or the actual premium, whichever is greater.

30 **Sec. 28.** RCW 51.48.140 and 1989 c 175 s 121 are each amended to
31 read as follows:

32 If a notice of appeal is not served on the director and the board
33 of industrial insurance appeals pursuant to RCW 51.48.131 within thirty
34 days from the date of service of the notice of assessment, or if a
35 final decision and order of the board of industrial insurance appeals
36 in favor of the department is not appealed to superior court in the
37 manner specified in RCW 34.05.510 through 34.05.598, or if a final

1 decision of any court in favor of the department is not appealed within
2 the time allowed by law, then the amount of the unappealed assessment,
3 or such amount of the assessment as is found due by the final decision
4 and order of the board of industrial insurance appeals or final
5 decision of the court shall be deemed final (~~and the director or the~~
6 ~~director's designee may file with the clerk of any county within the~~
7 ~~state a warrant in the amount of the notice of assessment. The clerk~~
8 ~~of the county wherein the warrant is filed shall immediately designate~~
9 ~~a superior court cause number for such warrant, and the clerk shall~~
10 ~~cause to be entered in the judgment docket under the superior court~~
11 ~~cause number assigned to the warrant, the name of such employer~~
12 ~~mentioned in the warrant, the amount of the taxes and penalties due~~
13 ~~thereon, and the date when such warrant was filed. The aggregate~~
14 ~~amount of such warrant as docketed shall become a lien upon the title~~
15 ~~to, and interest in all real and personal property of the employer~~
16 ~~against whom the warrant is issued, the same as a judgment in a civil~~
17 ~~case duly docketed in the office of such clerk. The sheriff shall~~
18 ~~thereupon proceed upon the same in all respects and with like effect as~~
19 ~~prescribed by law with respect to execution or other process issued~~
20 ~~against rights or property upon judgment in the superior court. Such~~
21 ~~warrant so docketed shall be sufficient to support the issuance of~~
22 ~~writs of garnishment in favor of the state in a manner provided by law~~
23 ~~in case of judgment, wholly or partially unsatisfied. The clerk of the~~
24 ~~court shall be entitled to a filing fee of five dollars, which shall be~~
25 ~~added to the amount of the warrant. A copy of such warrant shall be~~
26 ~~mailed to the employer within three days of filing with the clerk)).~~

27 **Sec. 29.** RCW 51.48.160 and 1986 c 9 s 13 are each amended to read
28 as follows:

29 If any ((warrant)) lien issued under this title is not paid within
30 thirty days after it has been filed (~~with the clerk of the superior~~
31 ~~court)), or if any employer is delinquent, for three consecutive~~
32 ~~reporting periods, in the transmission to the department of taxes due,~~
33 ~~the department may, by order issued under its official seal, revoke the~~
34 ~~certificate of coverage of the employer against whom the ((warrant))~~
35 lien was issued; and if the order is entered, a copy thereof shall be
36 posted in a conspicuous place at the main entrance to the employer's
37 place of business and shall remain posted until such time as the
38 ((warrant)) lien has been paid. Any certificate so revoked shall not

1 be reinstated, nor shall a new certificate of coverage be issued to the
2 employer, until the amount due on the ((warrant)) lien has been paid,
3 or provisions for payment satisfactory to the department have been
4 entered, and until the taxpayer has deposited with the department such
5 security for payment of any taxes, increases, and penalties, due or
6 which may become due in an amount and under such terms and conditions
7 as the department may require, but the amount of the security shall not
8 be greater than one-half the estimated average annual taxes of the
9 employer.

10 **Sec. 30.** RCW 51.48.210 and 1987 c 111 s 8 are each amended to
11 read as follows:

12 If payment of any tax due is not received by the department by the
13 due date, there shall be assessed a penalty of five percent of the
14 amount of the tax for the first month or part thereof of delinquency;
15 there shall be assessed a total penalty of ten percent of the amount of
16 the tax for the second month or part thereof of delinquency; and there
17 shall be assessed a total penalty of twenty percent of the amount of
18 the tax for the third month or part thereof of delinquency. No penalty
19 so added may be less than ten dollars. If a ((warrant)) lien is issued
20 by the department for the collection of taxes, increases, and
21 penalties, there shall be added thereto a penalty of five percent of
22 the amount of the tax, but not less than five dollars nor greater than
23 one hundred dollars. In addition, delinquent taxes shall bear interest
24 at the rate of one percent of the delinquent amount per month or
25 fraction thereof from and after the due date until payment, increases,
26 and penalties are received by the department.

27 **Sec. 31.** RCW 51.48.230 and 1986 c 9 s 22 are each amended to read
28 as follows:

29 In the discretion of the department, an order of execution of like
30 terms, force, and effect may be issued and directed to any agent of the
31 department authorized to collect taxes, and in the execution thereof
32 such agent shall have all the powers conferred by law upon sheriffs,
33 but shall not be entitled to any fee or compensation in excess of the
34 actual expenses paid in the performance of such duty, which shall be
35 added to the amount of the ((warrant)) lien.

1 **Sec. 32.** RCW 82.32.090 and 1992 c 206 s 3 are each amended to
2 read as follows:

3 (1) If payment of any tax due on a return to be filed by a
4 taxpayer is not received by the department of revenue by the due date,
5 there shall be assessed a penalty of five percent of the amount of the
6 tax; and if the tax is not received within thirty days after the due
7 date, there shall be assessed a total penalty of ten percent of the
8 amount of the tax; and if the tax is not received within sixty days
9 after the due date, there shall be assessed a total penalty of twenty
10 percent of the amount of the tax. No penalty so added shall be less
11 than five dollars.

12 (2) If payment of any tax assessed by the department of revenue is
13 not received by the department by the due date specified in the notice,
14 or any extension thereof, the department shall add a penalty of ten
15 percent of the amount of the additional tax found due. No penalty so
16 added shall be less than five dollars.

17 (3) If a (~~warrant~~) lien be issued by the department of revenue
18 for the collection of taxes, increases, and penalties, there shall be
19 added thereto a penalty of five percent of the amount of the tax, but
20 not less than ten dollars.

21 (4) If the department finds that all or any part of a deficiency
22 resulted from the disregard of specific written instructions as to
23 reporting or tax liabilities, the department shall add a penalty of ten
24 percent of the amount of the additional tax found due because of the
25 failure to follow the instructions. A taxpayer disregards specific
26 written instructions when the department of revenue has informed the
27 taxpayer in writing of the taxpayer's tax obligations and the taxpayer
28 fails to act in accordance with those instructions unless the
29 department has not issued final instructions because the matter is
30 under appeal pursuant to this chapter or departmental regulations. The
31 department shall not assess the penalty under this section upon any
32 taxpayer who has made a good faith effort to comply with the specific
33 written instructions provided by the department to that taxpayer.
34 Specific written instructions may be given as a part of a tax
35 assessment, audit, determination, or closing agreement, provided that
36 such specific written instructions shall apply only to the taxpayer
37 addressed or referenced on such documents. Any specific written
38 instructions by the department of revenue shall be clearly identified
39 as such and shall inform the taxpayer that failure to follow the

1 instructions may subject the taxpayer to the penalties imposed by this
2 subsection.

3 (5) If the department finds that all or any part of the deficiency
4 resulted from an intent to evade the tax payable hereunder, a further
5 penalty of fifty percent of the additional tax found to be due shall be
6 added.

7 (6) The aggregate of penalties imposed under this section for
8 failure to pay a tax due on a return by the due date, late payment of
9 any tax, increase, or penalty, or issuance of a (~~warrant~~) lien shall
10 not exceed thirty-five percent of the tax due, or twenty dollars,
11 whichever is greater.

12 (7) The department of revenue may not impose both the evasion
13 penalty and the penalty for disregarding specific written instructions
14 on the same tax found to be due.

15 **Sec. 33.** RCW 82.32.215 and 1983 1st ex.s. c 55 s 9 are each
16 amended to read as follows:

17 If any (~~warrant~~) lien issued under this chapter is not paid
18 within thirty days after it has been filed (~~with the clerk of the~~
19 ~~superior court~~), or if any taxpayer is delinquent, for three
20 consecutive reporting periods, in the transmission to the department of
21 revenue of retail sales tax collected by (~~him~~) the taxpayer, the
22 department (~~of revenue~~) may, by order issued under its official seal,
23 revoke the certificate of registration of the taxpayer against whom the
24 warrant was issued, and, if the order is entered, a copy thereof shall
25 be posted in a conspicuous place at the main entrance to the taxpayer's
26 place of business and shall remain posted until such time as the
27 (~~warrant has~~) lien and all related taxes have been paid. Any
28 certificate so revoked shall not be reinstated, nor shall a new
29 certificate of registration be issued to the taxpayer, until the amount
30 due on the (~~warrant has~~) lien and all related taxes have been paid,
31 or provisions for payment satisfactory to the department of revenue
32 have been entered, and until the taxpayer has deposited with the
33 department of revenue such security for payment of any taxes,
34 increases, and penalties, due or which may become due in an amount and
35 under such terms and conditions as the department of revenue may
36 require, but the amount of the security shall not be greater than one-
37 half the estimated average annual liability of the taxpayer.

1 **Sec. 34.** RCW 82.32.235 and 1987 c 208 s 1 are each amended to
2 read as follows:

3 In addition to the remedies provided in this chapter the
4 department is hereby authorized to issue to any person, or to any
5 political subdivision or department of the state, a notice and order to
6 withhold and deliver property of any kind whatsoever when there is
7 reason to believe that there is in the possession of such person,
8 political subdivision or department, property which is or shall become
9 due, owing, or belonging to any taxpayer against whom a ((warrant))
10 lien has been filed.

11 The notice and order to withhold and deliver shall be served by
12 the sheriff of the county wherein the service is made, or by his or her
13 deputy, or by any duly authorized representative of the department,
14 provided that service by such persons may also be made by certified
15 mail, with return receipt requested, upon those persons, or political
16 subdivision or department, to whom the notice ((and order to)) of
17 withhold and deliver is directed. Any person, or any political
18 subdivision or department upon whom service has been made is hereby
19 required to answer the notice within twenty days exclusive of the day
20 of service, under oath and in writing, and shall make true answers to
21 the matters inquired of in the notice.

22 In the event there is in the possession of any such person or
23 political subdivision or department, any property which may be subject
24 to the claim of the department, such property shall be delivered
25 forthwith to the department of revenue or its duly authorized
26 representative upon demand to be held in trust by the department for
27 application on the indebtedness involved or for return, without
28 interest, in accordance with final determination of liability or
29 nonliability, or in the alternative, there shall be furnished a good
30 and sufficient bond ((satisfactory)) to the department conditioned upon
31 final determination of liability.

32 Should any person or political subdivision fail to make answer to
33 an order to withhold and deliver within the time prescribed herein, it
34 shall be lawful for the court, after the time to answer ((such order))
35 has expired, to render judgment by default against such person or
36 political subdivision for the full amount claimed by the department in
37 the notice to withhold and deliver, together with costs.

1 **Sec. 35.** RCW 82.32.330 and 1991 c 330 s 1 are each amended to
2 read as follows:

3 (1) For purposes of this section:

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

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

12 (c) "Tax information" means (i) a taxpayer's identity, (ii) the
13 nature, source, or amount of the taxpayer's income, payments, receipts,
14 deductions, exemptions, credits, assets, liabilities, net worth, tax
15 liability deficiencies, overassessments, or tax payments, whether taken
16 from the taxpayer's books and records or any other source, (iii)
17 whether the taxpayer's return was, is being, or will be examined or
18 subject to other investigation or processing, (iv) a part of a written
19 determination that is not designated as a precedent and disclosed
20 pursuant to RCW 82.32.410, or a background file document relating to a
21 written determination, and (v) other data received by, recorded by,
22 prepared by, furnished to, or collected by the department of revenue
23 with respect to the determination of the existence, or possible
24 existence, of liability, or the amount thereof, of a person under the
25 laws of this state for a tax, penalty, interest, fine, forfeiture, or
26 other imposition, or offense: PROVIDED, That data, material, or
27 documents that do not disclose information related to a specific or
28 identifiable taxpayer do not constitute tax information under this
29 section. Except as provided by RCW 82.32.410, nothing in this chapter
30 shall require any person possessing data, material, or documents made
31 confidential and privileged by this section to delete information from
32 such data, material, or documents so as to permit its disclosure;

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

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

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

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

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

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

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

16 (b) Disclosing, subject to such requirements and conditions as the
17 director shall prescribe by rules adopted pursuant to chapter 34.05
18 RCW, such return or tax information regarding a taxpayer to such
19 taxpayer or to such person or persons as that taxpayer may designate in
20 a request for, or consent to, such disclosure, or to any other person,
21 at the taxpayer's request, to the extent necessary to comply with a
22 request for information or assistance made by the taxpayer to such
23 other person: PROVIDED, That tax information not received from the
24 taxpayer shall not be so disclosed if the director determines that such
25 disclosure would compromise any investigation or litigation by any
26 federal, state, or local government agency in connection with the civil
27 or criminal liability of the taxpayer or another person, or that such
28 disclosure is contrary to any agreement entered into by the department
29 that provides for the reciprocal exchange of information with other
30 government agencies which agreement requires confidentiality with
31 respect to such information unless such information is required to be
32 disclosed to the taxpayer by the order of any court;

33 (c) Disclosing the name of a taxpayer with a deficiency greater
34 than five thousand dollars and against whom a (~~warrant under RCW~~
35 ~~82.32.210 has been~~) lien has either issued or (~~failed [filed] and~~)
36 where tax debt remains outstanding for a period of at least ten working
37 days. The department shall not be required to disclose any information
38 under this subsection if a taxpayer: (i) Has been issued a tax
39 assessment; (ii) has been issued a (~~warrant~~) lien that has not been

1 filed; and (iii) has entered a deferred payment arrangement with the
2 department of revenue and is making payments upon such deficiency that
3 will fully satisfy the indebtedness within twelve months;

4 (d) Disclosing the name of a taxpayer with a deficiency greater
5 than five thousand dollars ((and)) against whom a ((warrant under RCW
6 82.32.210)) lien has been filed ((with a court of record)) and remains
7 outstanding;

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

10 (f) Disclosing such return or tax information, for official
11 purposes only, to the governor or attorney general, or to any state
12 agency, or to any committee or subcommittee of the legislature dealing
13 with matters of taxation, revenue, trade, commerce, the control of
14 industry or the professions;

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

18 (h) Disclosing any such return or tax information to the proper
19 officer of the internal revenue service of the United States, the
20 Canadian government or provincial governments of Canada, or to the
21 proper officer of the tax department of any state or city or town or
22 county, for official purposes, but only if the statutes of the United
23 States, Canada or its provincial governments, or of such other state or
24 city or town or county, as the case may be, grants substantially
25 similar privileges to the proper officers of this state; or

26 (i) Disclosing any such return or tax information to the
27 Department of Justice, the Bureau of Alcohol, Tobacco and Firearms of
28 the Department of the Treasury, the Department of Defense, the United
29 States customs service, the coast guard of the United States, and the
30 United States department of transportation, or any authorized
31 representative thereof, for official purposes;

32 (j) Publishing or otherwise disclosing the text of a written
33 determination designated by the director as a precedent pursuant to RCW
34 82.32.410; or

35 (k) Disclosing, in a manner that is not associated with other tax
36 information, the taxpayer name, business address, mailing address,
37 revenue tax registration numbers, standard industrial classification
38 code of a taxpayer, and the dates of opening and closing of business.

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

13 **Sec. 36.** RCW 82.32.340 and 1989 c 78 s 3 are each amended to read
14 as follows:

15 (1) Any tax or penalty which the department of revenue deems to be
16 uncollectible may be transferred from accounts receivable to a suspense
17 account and cease to be accounted an asset. Any item transferred shall
18 continue to be a debt due the state from the taxpayer and may at any
19 time within twelve years from the filing of a (~~warrant~~) lien covering
20 such amount with the clerk of the superior court be transferred back to
21 accounts receivable for the purpose of collection. The department of
22 revenue may charge off as finally uncollectible any tax or penalty
23 which it deems uncollectible at any time after twelve years from the
24 date that the last tax return for the delinquent taxpayer was or should
25 have been filed if the department of revenue is satisfied that there
26 are no cost-effective means of collecting the tax or penalty.

27 After any tax or penalty has been charged off as finally
28 uncollectible under the provisions of this section, the department of
29 revenue may destroy any or all files and records pertaining to the
30 liability of any taxpayer for such tax or penalty.

31 The department of revenue, subject to the approval of the state
32 records committee, may at the expiration of five years after the close
33 of any taxable year, destroy any or all files and records pertaining to
34 the tax liability of any taxpayer for such taxable year, who has fully
35 paid all taxes, penalties and interest for such taxable year, or any
36 preceding taxable year for which such taxes, penalties and interest
37 have been fully paid. In the event that such files and records are
38 reproduced on film pursuant to RCW 40.20.020 for use in accordance with

1 RCW 40.20.030, the original files and records may be destroyed
2 immediately after reproduction and such reproductions may be destroyed
3 at the expiration of the above five-year period, subject to the
4 approval of the state records committee.

5 (2) Notwithstanding subsection (1) of this section, the department
6 may charge off any tax within its jurisdiction to collect that is owed
7 by a taxpayer, including any penalty or interest thereon, if the
8 department ascertains that the cost of collecting that tax would be
9 greater than the total amount which is owed or likely in the near
10 future to be owed by, and collectible from, the taxpayer.

11 **Sec. 37.** RCW 84.64.080 and 1991 c 245 s 27 are each amended to
12 read as follows:

13 The court shall examine each application for judgment foreclosing
14 tax lien, and if defense (specifying in writing the particular cause of
15 objection) be offered by any person interested in any of the lands or
16 lots to the entry of judgment against the same, the court shall hear
17 and determine the matter in a summary manner, without other pleadings,
18 and shall pronounce judgment as the right of the case may be; or the
19 court may, in its discretion, continue such individual cases, wherein
20 defense is offered, to such time as may be necessary, in order to
21 secure substantial justice to the contestants therein; but in all other
22 cases the court shall proceed to determine the matter in a summary
23 manner as above specified. In all judicial proceedings of any kind for
24 the collection of taxes, and interest and costs thereon, all amendments
25 which by law can be made in any personal action pending in such court
26 shall be allowed, and no assessments of property or charge for any of
27 the taxes shall be considered illegal on account of any irregularity in
28 the tax list or assessment rolls or on account of the assessment rolls
29 or tax list not having been made, completed or returned within the time
30 required by law, or on account of the property having been charged or
31 listed in the assessment or tax lists without name, or in any other
32 name than that of the owner, and no error or informality in the
33 proceedings of any of the officers connected with the assessment,
34 levying or collection of the taxes, shall vitiate or in any manner
35 affect the tax or the assessment thereof, and any irregularities or
36 informality in the assessment rolls or tax lists or in any of the
37 proceedings connected with the assessment or levy of such taxes or any
38 omission or defective act of any officer or officers connected with the

1 assessment or levying of such taxes, may be, in the discretion of the
2 court, corrected, supplied and made to conform to the law by the court.
3 The court shall give judgment for such taxes, interest and costs as
4 shall appear to be due upon the several lots or tracts described in the
5 notice of application for judgment or complaint, and such judgment
6 shall be a several judgment against each tract or lot or part of a
7 tract or lot for each kind of tax included therein, including all
8 interest and costs, and the court shall order and direct the clerk to
9 make and enter an order for the sale of such real property against
10 which judgment is made, or vacate and set aside the certificate of
11 delinquency or make such other order or judgment as in the law or
12 equity may be just. The order shall be signed by the judge of the
13 superior court, shall be delivered to the county treasurer, and shall
14 be full and sufficient authority for him or her to proceed to sell the
15 property for the sum as set forth in the order and to take such further
16 steps in the matter as are provided by law. The county treasurer shall
17 immediately after receiving the order and judgment of the court proceed
18 to sell the property as provided in this chapter to the highest and
19 best bidder for cash. The acceptable minimum bid shall be the total
20 amount of taxes, interest, penalties, and costs. All sales shall be
21 made at a location in the county on a date and time (except Saturdays,
22 Sundays, or legal holidays) as the county treasurer may direct, and
23 shall continue from day to day (Saturdays, Sundays, and legal holidays
24 excepted) during the same hours until all lots or tracts are sold,
25 after first giving notice of the time, and place where such sale is to
26 take place for ten days successively by posting notice thereof in three
27 public places in the county, one of which shall be in the office of the
28 treasurer. The notice shall be substantially in the following form:

29

TAX JUDGMENT SALE

30 Public notice is hereby given that pursuant to real property tax
31 judgment of the superior court of the county of in the
32 state of Washington, and an order of sale duly issued by the court,
33 entered the day of,, in proceedings for
34 foreclosure of tax liens upon real property, as per provisions of law,
35 I shall on the day of,, at o'clock
36 a.m., at in the city of, and county of
37, state of Washington, sell the real property to the highest

1 and best bidder for cash, to satisfy the full amount of taxes, interest
2 and costs adjudged to be due.

3 In witness whereof, I have hereunto affixed my hand and seal this
4 day of,

5
6 Treasurer of
7 county.

8 No county officer or employee shall directly or indirectly be a
9 purchaser of such property at such sale.

10 If any buildings or improvements are upon an area encompassing
11 more than one tract or lot, the same must be advertised and sold as a
12 single unit.

13 ~~((If the highest amount bid for any such separate unit tract or
14 lot is in excess of the minimum bid due upon the whole property
15 included in the certificate of delinquency, the excess shall be
16 refunded following payment of all water and sewer district liens, on
17 application therefor, to the record owner of the property. The record
18 owner of the property is the person who held title on the date of
19 issuance of the certificate of delinquency.))~~ In the event no claim
20 for the excess is received by the county treasurer within three years
21 after the date of the sale he or she shall at expiration of the three
22 year period deposit such excess in the current expense fund of the
23 county. The county treasurer shall execute to the purchaser of any
24 piece or parcel of land a tax deed. The deed so made by the county
25 treasurer, under the official seal of his or her office, shall be
26 recorded in the same manner as other conveyances of real property, and
27 shall vest in the grantee, his or her heirs and assigns the title to
28 the property therein described, without further acknowledgment or
29 evidence of such conveyance, and shall be substantially in the
30 following form:

31 State of Washington
32
33 County of

ss.

34 This indenture, made this day of,,
35 between, as treasurer of county, state of
36 Washington, party of the first part, and, party of the
37 second part:

1 (4) The court shall determine the right, title, and interest of
2 claimants in the surplus proceeds. All court costs, including the
3 filing fee, shall be paid as the first priority.

4 **Sec. 38.** RCW 49.52.040 and 1929 c 136 s 2 are each amended to
5 read as follows:

6 If any such employer shall default in any such payment to any
7 physician, surgeon, hospital, hospital association or any other parties
8 to whom any such payment is due, the sum so due may be collected by an
9 action at law in the name of the physician, surgeon, hospital, hospital
10 association or any other party to whom such payment is owing, or their
11 assigns and against such defaulting employer, and in addition to such
12 action, such claims shall have the same priority and lien rights as
13 granted to the state for claims due the accident and medical aid funds
14 (~~(by section 7682 of Remington's Compiled Statutes of Washington, 1922~~
15 ~~{RCW 51.16.150 through 51.16.170}, and acts amendatory thereto)) as
16 provided under RCW 51.16.150, 51.16.155, and 51.16.160 and chapter
17 60.-- RCW (sections 1 through 22 and 25 of this act), which priority
18 and lien rights shall be enforced in the same manner and under the same
19 conditions as provided in ((said section 7682 [RCW 51.16.150 through
20 51.16.170])) RCW 51.16.150, 51.16.155, and 51.16.160 and chapter 60.--
21 RCW (sections 1 through 22 and 25 of this act): PROVIDED, HOWEVER,
22 That the said claims for physicians, surgeons, hospitals and hospital
23 associations and others shall be secondary and inferior to any claims
24 of the state and to any claims for labor. Such right of action shall
25 be in addition to any other right of action or remedy.~~

26 **Sec. 39.** RCW 50.12.220 and 1987 c 111 s 2 are each amended to
27 read as follows:

28 (1) If an employer fails to file in a timely and complete manner
29 a report required by RCW 50.12.070 as now or hereafter amended or the
30 rules adopted pursuant thereto, the employer shall be subject to a
31 minimum penalty of ten dollars per violation.

32 (2) If contributions are not paid on the date on which they are
33 due and payable as prescribed by the commissioner, there shall be
34 assessed a penalty of five percent of the amount of the contributions
35 for the first month or part thereof of delinquency; there shall be
36 assessed a total penalty of ten percent of the amount of the
37 contributions for the second month or part thereof of delinquency; and

1 there shall be assessed a total penalty of twenty percent of the amount
2 of the contributions for the third month or part thereof of
3 delinquency. No penalty so added shall be less than ten dollars.
4 These penalties are in addition to the interest charges assessed under
5 (~~RCW 50.24.040~~) applicable statutes.

6 (3) Penalties shall not accrue on contributions from an estate in
7 the hands of a receiver, executor, administrator, trustee in
8 bankruptcy, common law assignee, or other liquidating officer
9 subsequent to the date when such receiver, executor, administrator,
10 trustee in bankruptcy, common law assignee, or other liquidating
11 officer qualifies as such, but contributions accruing with respect to
12 employment of persons by a receiver, executor, administrator, trustee
13 in bankruptcy, common law assignee, or other liquidating officer shall
14 become due and shall be subject to penalties in the same manner as
15 contributions due from other employers.

16 (4) Where adequate information has been furnished to the
17 department and the department has failed to act or has advised the
18 employer of no liability or inability to decide the issue, penalties
19 shall be waived by the commissioner. Penalties may also be waived for
20 good cause if the commissioner determines that the failure to timely
21 file reports or pay contributions was not due to the employer's fault.

22 (5) Any decision to assess a penalty as provided by this section
23 shall be made by the chief administrative officer of the tax branch or
24 his or her designee.

25 (6) Nothing in this section shall be construed to deny an employer
26 the right to appeal the assessment of any penalty. Such appeal shall
27 be made in the manner provided in RCW 50.32.030.

28 **Sec. 40.** RCW 50.44.060 and 1990 c 245 s 9 are each amended to
29 read as follows:

30 Benefits paid to employees of "nonprofit organizations" shall be
31 financed in accordance with the provisions of this section. For the
32 purpose of this section and RCW 50.44.070, the term "nonprofit
33 organization" is limited to those organizations described in RCW
34 50.44.010, and joint accounts composed exclusively of such
35 organizations.

36 (1) Any nonprofit organization which is, or becomes subject to
37 this title on or after January 1, 1972 shall pay contributions under
38 the provisions of RCW 50.24.010 and chapter 50.29 RCW, unless it

1 elects, in accordance with this subsection, to pay to the commissioner
2 for the unemployment compensation fund an amount equal to the full
3 amount of regular and additional benefits and one-half of the amount of
4 extended benefits paid to individuals for weeks of unemployment that
5 are based upon wages paid or payable during the effective period of
6 such election to the extent that such payments are attributable to
7 service in the employ of such nonprofit organization.

8 (a) Any nonprofit organization which becomes subject to this title
9 after January 1, 1972 may elect to become liable for payments in lieu
10 of contributions for a period of not less than twelve months beginning
11 with the date on which such subjectivity begins by filing a written
12 notice of its election with the commissioner not later than thirty days
13 immediately following the date of the determination of such
14 subjectivity.

15 (b) Any nonprofit organization which makes an election in
16 accordance with paragraph (a) of this subsection will continue to be
17 liable for payments in lieu of contributions until it files with the
18 commissioner a written notice terminating its election not later than
19 thirty days prior to the beginning of the taxable year for which such
20 termination shall first be effective.

21 (c) Any nonprofit organization which has been paying contributions
22 under this title for a period subsequent to January 1, 1972 may change
23 to a reimbursable basis by filing with the commissioner not later than
24 thirty days prior to the beginning of any taxable year a written notice
25 of election to become liable for payments in lieu of contributions.
26 Such election shall not be terminable by the organization for that and
27 the next year.

28 (d) The commissioner may for good cause extend the period within
29 which a notice of election, or a notice of termination, must be filed
30 and may permit an election to be retroactive but not any earlier than
31 with respect to benefits paid after December 31, 1969.

32 (e) The commissioner, in accordance with such regulations as the
33 commissioner may prescribe, shall notify each nonprofit organization of
34 any determination which the commissioner may make of its status as an
35 employer and of the effective date of any election which it makes and
36 of any termination of such election. Any nonprofit organization
37 subject to such determination and dissatisfied with such determination
38 may file a request for review and redetermination with the commissioner
39 within thirty days of the mailing of the determination to the

1 organization. Should such request for review and redetermination be
2 denied, the organization may, within ten days of the mailing of such
3 notice of denial, file with the appeal tribunal a petition for hearing
4 which shall be heard in the same manner as a petition for denial of
5 refund. The appellate procedure prescribed by this title for further
6 appeal shall apply to all denials of review and redetermination under
7 this paragraph.

8 (2) Payments in lieu of contributions shall be made in accordance
9 with the provisions of this section including either paragraph (a) or
10 (b) of this subsection.

11 (a) At the end of each calendar quarter, the commissioner shall
12 bill each nonprofit organization or group of such organizations which
13 has elected to make payments in lieu of contributions for an amount
14 equal to the full amount of regular and additional benefits plus one-
15 half of the amount of extended benefits paid during such quarter that
16 is attributable to service in the employ of such organization.

17 (b) (i) Each nonprofit organization that has elected payments in
18 lieu of contributions may request permission to make such payments as
19 provided in this paragraph. Such method of payment shall become
20 effective upon approval by the commissioner.

21 (ii) At the end of each calendar quarter, or at the end of such
22 other period as determined by the commissioner, the commissioner shall
23 bill each nonprofit organization for an amount representing one of the
24 following:

25 (A) The percentage of its total payroll for the immediately
26 preceding calendar year as the commissioner shall determine. Such
27 determination shall be based each year on the average benefit costs
28 attributable to service in the employ of nonprofit organizations during
29 the preceding calendar year.

30 (B) For any organization which did not pay wages throughout the
31 four calendar quarters of the preceding calendar year, such percentage
32 of its payroll during such year as the commissioner shall determine.

33 (iii) At the end of each taxable year, the commissioner may modify
34 the quarterly percentage of payroll thereafter payable by the nonprofit
35 organization in order to minimize excess or insufficient payments.

36 (iv) At the end of each taxable year, the commissioner shall
37 determine whether the total of payments for such year made by a
38 nonprofit organization is less than, or in excess of, the total amount
39 of regular and additional benefits plus one-half of the amount of

1 extended benefits paid to individuals during such taxable year based on
2 wages attributable to service in the employ of such organization. Each
3 nonprofit organization whose total payments for such year are less than
4 the amount so determined shall be liable for payment of the unpaid
5 balance to the fund in accordance with paragraph (c). If the total
6 payments exceed the amount so determined for the taxable year, all of
7 the excess payments will be retained in the fund as part of the
8 payments which may be required for the next taxable year, or a part of
9 the excess may, at the discretion of the commissioner, be refunded from
10 the fund or retained in the fund as part of the payments which may be
11 required for the next taxable year.

12 (c) Payment of any bill rendered under paragraph (a) or (b) shall
13 be made not later than thirty days after such bill was mailed to the
14 last known address of the nonprofit organization or was otherwise
15 delivered to it, and if not paid within such thirty days, the
16 reimbursement payments itemized in the bill shall be deemed to be
17 delinquent and the whole or part thereof remaining unpaid shall bear
18 interest and penalties from and after the end of such thirty days at
19 the rate and in the manner set forth in RCW 50.12.220 and ~~((50.24.040))~~
20 any other applicable statutes.

21 (d) Payments made by any nonprofit organization under the
22 provisions of this section shall not be deducted or deductible, in
23 whole or in part, from the remuneration of individuals in the employ of
24 the organization. Any deduction in violation of the provisions of this
25 paragraph shall be unlawful.

26 (3) Each employer that is liable for payments in lieu of
27 contributions shall pay to the commissioner for the fund the total
28 amount of regular and additional benefits plus the amount of one-half
29 of extended benefits paid that are attributable to service in the
30 employ of such employer. If benefits paid to an individual are based
31 on wages paid by more than one employer and one or more of such
32 employers are liable for payments in lieu of contributions, the amount
33 payable to the fund by each employer that is liable for such payments
34 shall be determined in accordance with the provisions of paragraphs (a)
35 and (b) of this subsection.

36 (a) If benefits paid to an individual are based on wages paid by
37 one or more employers that are liable for payments in lieu of
38 contributions and on wages paid by one or more employers who are liable
39 for contributions, the amount of benefits payable by each employer that

1 is liable for payments in lieu of contributions shall be an amount
2 which bears the same ratio to the total benefits paid to the individual
3 as the total base-period wages paid to the individual by such employer
4 bear to the total base-period wages paid to the individual by all of
5 his base-period employers.

6 (b) If benefits paid to an individual are based on wages paid by
7 two or more employers that are liable for payments in lieu of
8 contributions, the amount of benefits payable by each such employer
9 shall be an amount which bears the same ratio to the total benefits
10 paid to the individual as the total base-period wages paid to the
11 individual by such employer bear to the total base-period wages paid to
12 the individual by all of his base-period employers.

13 **Sec. 41.** RCW 82.32.265 and 1987 c 80 s 5 are each amended to read
14 as follows:

15 (1) The department may retain, by written contract, collection
16 agencies licensed under chapter 19.16 RCW or licensed under the laws of
17 another state or the District of Columbia for the purpose of collecting
18 from sources outside the state of Washington taxes including interest
19 and penalties thereon imposed under this title and RCW 84.33.041.

20 (2) Only accounts represented by (~~tax warrants~~) liens filed (~~in~~
21 ~~the superior court of a county in the state~~) as provided by (~~RCW~~
22 ~~82.32.210~~) chapter 60.-- RCW (sections 1 through 22 and 25 of this
23 act) may be assigned to a collection agency, and no such assignment may
24 be made unless the department has previously notified or has attempted
25 to notify the taxpayer of his or her right to petition for correction
26 of assessment within the time provided and in accordance with the
27 procedures set forth in chapter 82.32 RCW.

28 (3) Collection agencies assigned accounts for collection under
29 this section shall have only those remedies and powers that would be
30 available to them as assignees of private creditors. However, nothing
31 in this section limits the right to enforce the liability for taxes
32 lawfully imposed under the laws of this state in the courts of another
33 state or the District of Columbia as provided by the laws of such
34 jurisdictions and RCW 4.24.140 and 4.24.150.

35 (4) The account of the taxpayer shall be credited with the amounts
36 collected by a collection agency before reduction for reasonable
37 collection costs, including attorneys fees, that the department is
38 authorized to negotiate on a contingent fee or other basis.

1 **Sec. 42.** RCW 82.42.060 and 1969 ex.s. c 254 s 5 are each amended
2 to read as follows:

3 The amount of aircraft fuel excise tax imposed under RCW 82.42.020
4 for each month shall be paid to the director on or before the twenty-
5 fifth day of the month thereafter, and if not paid prior thereto, shall
6 become delinquent at the close of business on that day, and a penalty
7 of ten percent of such excise tax must be added thereto for
8 delinquency. Any aircraft fuel tax, penalties, and interest payable
9 under the provisions of this chapter shall bear interest at the rate of
10 one percent per month, or fraction thereof, from the first day of the
11 calendar month after the close of the monthly period for which the
12 amount or any portion thereof should have been paid until the date of
13 payment. The provisions of ((RCW 82.36.110)) chapter 60.-- RCW
14 (sections 1 through 22 and 25 of this act) relating to a lien for
15 taxes, interests or penalties due, shall be applicable to the
16 collection of the aircraft fuel excise tax provided in RCW 82.42.020,
17 and the provisions of RCW 82.36.120((, 82.36.130)) and 82.36.140 shall
18 apply to any distributor of aircraft fuel with respect to the aircraft
19 fuel excise tax imposed under RCW 82.42.020.

20 NEW SECTION. **Sec. 43.** The following acts or parts of acts are
21 each repealed:

- 22 (1) RCW 46.87.340 and 1993 c 307 s 16 & 1987 c 244 s 47;
- 23 (2) RCW 46.87.360 and 1987 c 244 s 49;
- 24 (3) RCW 46.87.370 and 1987 c 244 s 50;
- 25 (4) RCW 50.24.040 and 1987 c 111 s 3, 1973 1st ex.s. c 158 s 8,
26 1953 ex.s. c 8 s 16, & 1945 c 35 s 92;
- 27 (5) RCW 50.24.050 and 1981 c 302 s 39, 1979 ex.s. c 190 s 2, 1973
28 1st ex.s. c 158 s 9, 1947 c 215 s 19, & 1945 c 35 s 95;
- 29 (6) RCW 50.24.080 and 1979 ex.s. c 190 s 4 & 1945 c 35 s 96;
- 30 (7) RCW 50.24.090 and 1979 ex.s. c 190 s 5 & 1945 c 35 s 97;
- 31 (8) RCW 50.24.100 and 1979 ex.s. c 190 s 6, 1949 c 214 s 20, &
32 1945 c 35 s 98;
- 33 (9) RCW 50.24.115 and 1983 1st ex.s. c 23 s 16, 1979 ex.s. c 190
34 s 8, & 1975 1st ex.s. c 228 s 15;
- 35 (10) RCW 51.16.170 and 1986 c 9 s 5 & 1961 c 23 s 51.16.170;
- 36 (11) RCW 51.16.180 and 1971 ex.s. c 289 s 79 & 1961 c 23 s
37 51.16.180;
- 38 (12) RCW 51.48.170 and 1986 c 9 s 14;

- 1 (13) RCW 51.48.180 and 1986 c 9 s 15;
2 (14) RCW 51.48.190 and 1986 c 9 s 16;
3 (15) RCW 51.48.200 and 1986 c 9 s 17;
4 (16) RCW 51.48.220 and 1986 c 9 s 21;
5 (17) RCW 82.32.210 and 1987 c 405 s 15, 1983 1st ex.s. c 55 s 8,
6 1967 ex.s. c 89 s 3, & 1961 c 15 s 82.32.210;
7 (18) RCW 82.32.220 and 1983 1st ex.s. c 55 s 10, 1961 c 304 s 6,
8 & 1961 c 15 s 82.32.220;
9 (19) RCW 82.32.230 and 1983 1st ex.s. c 55 s 11, 1975 1st ex.s. c
10 278 s 84, & 1961 c 15 s 82.32.230;
11 (20) RCW 82.32.245 and 1985 c 414 s 3;
12 (21) RCW 82.36.047 and 1991 c 339 s 4;
13 (22) RCW 82.36.110 and 1993 c 54 s 3 & 1961 c 15 s 82.36.110;
14 (23) RCW 82.36.130 and 1961 c 15 s 82.36.130;
15 (24) RCW 82.37.090 and 1963 ex.s. c 22 s 9;
16 (25) RCW 82.38.210 and 1979 c 40 s 15 & 1971 ex.s. c 175 s 22;
17 (26) RCW 82.38.230 and 1979 c 40 s 17 & 1971 ex.s. c 175 s 24; and
18 (27) RCW 82.38.235 and 1979 c 40 s 22.

19 NEW SECTION. **Sec. 44.** If any provision of this act or its
20 application to any person or circumstance is held invalid, the
21 remainder of the act or the application of the provision to other
22 persons or circumstances is not affected.

23 NEW SECTION. **Sec. 45.** Sections 1 through 22 and 25 of this act
24 shall constitute a new chapter in Title 60 RCW.

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