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HOUSE BILL 3088

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State of Washington

55th Legislature

1998 Regular Session

By Representative Cairnes

Read first time . Referred to Committee on .

1 AN ACT Relating to fair processes for taxpayer audits; adding a new  
2 section to chapter 43.22 RCW; adding a new section to chapter 50.12  
3 RCW; and adding a new section to chapter 82.02 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.22 RCW  
6 to read as follows:

7 The department of labor and industries shall adopt by rule, no  
8 later than January 1, 1999, the process the department uses to conduct  
9 taxpayer audits. The process must include: Notice to the taxpayer  
10 regarding the process and the taxpayer's rights and obligations; a  
11 means for postaudit input from the taxpayer before final action by the  
12 department, including timely delivery in writing of the preliminary  
13 postaudit report; and information regarding the taxpayer's rights and  
14 recourse if the process is violated by the department. A substantial  
15 violation by the department of the department's rules governing the  
16 conduct of taxpayer audits constitutes a bar to collection of any  
17 additional tax assessment that results from the audit if the taxpayer  
18 notifies the department of the violation within thirty days of

1 receiving any final postaudit notice or within thirty days of the  
2 taxpayer's discovery of the violation, whichever is later.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 50.12 RCW  
4 to read as follows:

5 The employment security department shall adopt by rule, no later  
6 than January 1, 1999, the process the department uses to conduct  
7 taxpayer audits. The process must include: Notice to the taxpayer  
8 regarding the process and the taxpayer's rights and obligations; a  
9 means for postaudit input from the taxpayer before final action by the  
10 department, including timely delivery in writing of the preliminary  
11 postaudit report; and information regarding the taxpayer's rights and  
12 recourse if the process is violated by the department. A substantial  
13 violation by the department of the department's rules governing the  
14 conduct of taxpayer audits constitutes a bar to collection of any  
15 additional tax assessment that results from the audit if the taxpayer  
16 notifies the department of the violation within thirty days of  
17 receiving any final postaudit notice or within thirty days of the  
18 taxpayer's discovery of the violation, whichever is later.

19 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.02 RCW  
20 to read as follows:

21 The department shall adopt by rule, no later than January 1, 1999,  
22 the process the department uses to conduct taxpayer audits. The  
23 process must include: Notice to the taxpayer regarding the process and  
24 the taxpayer's rights and obligations; a means for postaudit input from  
25 the taxpayer before final action by the department, including timely  
26 delivery in writing of the preliminary postaudit report; and  
27 information regarding the taxpayer's rights and recourse if the process  
28 is violated by the department. A substantial violation by the  
29 department of the department's rules governing the conduct of taxpayer  
30 audits constitutes a bar to collection of any additional tax assessment  
31 that results from the audit if the taxpayer notifies the department of  
32 the violation within thirty days of receiving any final postaudit  
33 notice or within thirty days of the taxpayer's discovery of the  
34 violation, whichever is later.

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