

# HOUSE BILL REPORT

## HB 1621

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**As Passed House:**

March 12, 1999

**Title:** An act relating to electronic filing of tax returns and remittances.

**Brief Description:** Authorizing the department of revenue to receive electronically filed taxpayer returns and remittances.

**Sponsors:** Representatives Stensen, Cairnes, Reardon, Miloscia and Thomas; by request of Department of Revenue.

**Brief History:**

**Committee Activity:**

Finance: 2/9/99, 3/8/99 [DP].

**Floor Activity:**

Passed House: 3/12/99, 97-0.

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <p>· Authorizes the Department of Revenue to receive electronically filed returns and remittances.</p>
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### HOUSE COMMITTEE ON FINANCE

**Majority Report:** Do pass. Signed by 12 members: Representatives Dunshee, Democratic Co-Chair; Thomas, Republican Co-Chair; Carrell, Republican Vice Chair; Reardon, Democratic Vice Chair; Cairnes; Conway; Cox; Dickerson; Pennington; Santos; Van Luven and Veloria.

**Staff:** Bob Longman (786-7139).

**Background:**

The Department of Revenue (DOR) collects the state's major excise taxes, such as the retail sales and the business and occupation tax. The taxes collected by DOR are reported on the combined excise tax return. Taxpayers who report on the combined excise tax form with annual tax liability of \$240,000 or more are required to pay

taxes through an Electronic Funds Transfer (EFT) process. An EFT transfers funds, but does not include electronic transmission of the tax return document.

There is no express statutory authority for the DOR to accept remittances from other taxpayers who voluntarily choose to remit electronically or to accept returns from any taxpayer who wishes to transfer this information electronically.

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**Summary of Bill:**

The DOR may allow electronic filing of returns or remittances from any taxpayer. The return or remittance will be deemed filed according to procedures set forth by the department.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** Washington is the first state in the nation to make this technology available to taxpayers in an effort to create a more taxpayer friendly system for filing returns and tax payments. The system was developed in cooperation with taxpayer focus groups, and has been operating on a test basis for two years with a few businesses. An increase to thousands of businesses is expected. Electronic filing will save businesses time, effort, money, and reduce the risk of errors. Although the DOR probably has authority to fully implement electronic filing under current law, this bill makes the authority very clear.

**Testimony Against:** None.

**Testified:** Representative Stensen, prime sponsor; and Tim Sekerak and Ralph Osgood, Department of Revenue.