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HOUSE BILL 2493

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State of Washington

56th Legislature

2000 Regular Session

By Representatives Ruderman, Cox, Dunshee, Thomas and Kenney; by request of Department of Revenue

Read first time 01/14/2000. Referred to Committee on Finance.

1 AN ACT Relating to restricting the effective dates of sales and use  
2 tax changes for the purposes of simplification of tax collection;  
3 amending RCW 82.14.070; adding a new section to chapter 82.14 RCW;  
4 adding a new section to chapter 82.08 RCW; adding a new section to  
5 chapter 82.32 RCW; creating new sections; and providing an effective  
6 date.

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

8 NEW SECTION. **Sec. 1.** The legislature finds that retailers have an  
9 important role in the state's tax system by collecting sales or use tax  
10 from consumers and remitting it to the state. Frequent changes to the  
11 tax system place a burden on these businesses. To alleviate that  
12 burden and to improve the accuracy of tax collection, it is the intent  
13 of the legislature to provide that changes to sales and use tax may be  
14 made four times a year and that the department of revenue be provided  
15 adequate time to give advance notice to retailers of any such change.  
16 Changes in sales and use tax rates that are the result of annexation  
17 are also restricted to this time period, for uniformity and  
18 simplification. Additionally, retailers who rely on technology  
19 developed and provided by the department of revenue, such as the

1 department's geographic information system, to calculate tax rates  
2 shall be held harmless from errors resulting from such use.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.14 RCW  
4 to read as follows:

5 (1) An ordinance, including an ordinance pursuant to referendum  
6 under RCW 82.14.036, enacting or revising a sales and use tax under the  
7 authority of this chapter shall take effect only on the first day of  
8 January, April, July, or October. The department must receive prior  
9 notice of any change to taxes authorized under this chapter no later  
10 than seventy-five days before the effective date of such change.

11 (2) Notwithstanding the effective date of an annexation, an  
12 annexation that results in a sales and use tax change shall take effect  
13 only on the first day of January, April, July, or October. The  
14 department must receive prior notice of any change to taxes authorized  
15 under this chapter no later than seventy-five days before the effective  
16 date of such change.

17 (3) This section applies to local sales and use taxes authorized  
18 under this and any other state statute.

19 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.08 RCW  
20 to read as follows:

21 A sales and use tax rate change under this chapter or chapter 82.12  
22 RCW shall be imposed (1) no sooner than seventy-five days after its  
23 enactment into law and (2) only on the first day of January, April,  
24 July, or October.

25 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.32 RCW  
26 to read as follows:

27 A person who collects and remits sales or use tax to the department  
28 and who calculates the tax using technology developed and provided by  
29 the department shall be held harmless and is not liable for the  
30 difference in amount due nor subject to penalties or interest in  
31 regards to rate calculation errors resulting from the proper use of  
32 such technology.

33 **Sec. 5.** RCW 82.14.070 and 1970 ex.s. c 94 s 10 are each amended to  
34 read as follows:

1       It is the intent of this chapter that any local sales and use tax  
2 adopted pursuant to this chapter be as consistent and uniform as  
3 possible with the state sales and use tax and with other local sales  
4 and use taxes adopted pursuant to this chapter. It is further the  
5 intent of this chapter that the local sales and use tax shall be  
6 imposed upon an individual taxable event simultaneously with the  
7 imposition of the state sales or use tax upon the same taxable event.  
8 The rule making powers of the state department of revenue contained in  
9 RCW 82.08.060 and 82.32.300 shall be applicable to this chapter. The  
10 department shall, as soon as practicable, and with the assistance of  
11 the appropriate associations of county prosecutors and city attorneys,  
12 draft a model resolution and ordinance. ~~((No resolution or ordinance  
13 or any amendment thereto adopted pursuant to this chapter shall be  
14 effective, except upon the first day of a calendar month.))~~

15       NEW SECTION.   **Sec. 6.**   The code reviser shall, as appropriate,  
16 place cross-reference sections to sections 2 and 4 of this act in  
17 chapters 36.100, 81.100, 81.104, 82.08, 82.12, and 82.14 RCW.

18       NEW SECTION.   **Sec. 7.**   This act takes effect July 1, 2000.

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