

FINAL BILL REPORT

SHB 3283

C 184 L 08

Synopsis as Enacted

Brief Description: Relieving active duty military personnel of interest and penalties on delinquent excise taxes.

Sponsors: By House Committee on Finance (originally sponsored by Representatives Herrera, Takko, Orcutt, Hurst, Eddy, Sump, Ericks, Fromhold, McCoy, Hudgins, Kelley, Kessler, Dunn, Ormsby, Linville, Roach and McCune).

House Committee on Finance

Senate Committee on Ways & Means

Background:

A variety of penalties apply to the late payment of state excise taxes and to failure to file a tax return, failure to obtain a business registration, and failure to pay at least a substantial portion of the tax that is due. Penalties also apply to assessments involving filing of a warrant against the taxpayer and for intentional evasion. Interest is added to the amount of outstanding taxes but not to the amount of any penalties that are assessed.

Summary:

Penalties or interest for state excise tax purposes may not be levied against any business in which the majority owner is a member of the armed forces during the period that the person: (1) is on active duty, (2) is participating in an armed conflict, and (3) is assigned to a location outside of the United States. The waiver is limited to a two-year period.

In order to qualify for the waiver, the firm's gross income cannot exceed \$1 million for the year prior to the year the owner was assigned to military service outside the country.

The Department of Revenue is required to provide information concerning the waiver on all notices of penalties or interest sent to all taxpayers during periods of armed conflicts. In order to claim the waiver or cancellation of excise tax penalties or interest under this provision, an eligible taxpayer is required to submit to the Department a copy of the orders which require the individual to be deployed outside the country.

Votes on Final Passage:

House	94	0	
Senate	47	0	(Senate amended)
House	93	0	(House concurred)

Effective: June 12, 2008