

# FINAL BILL REPORT

## EHB 1357

---

---

C 24 L 11  
Synopsis as Enacted

**Brief Description:** Providing the department of revenue with additional flexibility to achieve operational efficiencies through the expanded use of electronic means to remit and report taxes.

**Sponsors:** Representatives Carlyle, Parker, Hunter, Dickerson, Roberts and Kenney; by request of Department of Revenue.

**House Committee on Ways & Means**  
**Senate Committee on Ways & Means**

**Background:**

Most businesses report and pay their taxes to the Department of Revenue (Department) on a monthly, quarterly, or annual basis. Only monthly filers are required to report and pay their taxes electronically.

The Department is authorized to assess various penalties on a number of tax reporting and payment deficiencies. For example, separate and cumulative penalties are assessed on late tax payments, substantially underpaid tax payments, and failing to register with the Department. The Department may also assess a 10 percent penalty where the taxpayer has disregarded specific written instructions by the Department regarding reporting requirements or tax liabilities.

**Summary:**

All taxpayers are required to report and pay taxes electronically. However, the Department is authorized to waive these requirements for taxpayers filing on an annual basis and taxpayers with certain extenuating circumstances such as lack of access to the Internet, computer problems, or not having a bank account or credit card.

The 10 percent penalty for disregarding specific written instructions is applied to circumstances where the Department has specifically required a taxpayer to electronically file or remit taxes and the taxpayer willfully disregards those instructions.

The act applies to tax returns and payments originally due after July 24, 2011.

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Votes on Final Passage:**

House 65 31

Senate 34 13

**Effective:** July 22, 2011