
SUBSTITUTE HOUSE BILL 1401

State of Washington

52nd Legislature

1991 Regular Session

By House Committee on Revenue (originally sponsored by Representatives Wang, Wynne, Ballard, D. Sommers, Winsley, Cooper, Vance, Mielke, Van Luven, Moyer, Miller, Brumsickle, Bowman, Horn, Paris, May, Betrozoff, Inslee, R. Meyers, Pruitt, Zellinsky, Bray, Franklin, Ogden, Phillips, Valle, H. Myers, Rasmussen, Fraser, Sprenkle, Heavey, Scott, Tate, Dellwo, Silver, Jacobsen, Hine, Brekke and Peery; by request of Department of Revenue).

Read first time January 31, 1991.

1 AN ACT Relating to taxpayer rights and responsibilities; and adding
2 a new chapter to Title 82 RCW.

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

4 NEW SECTION. **Sec. 1.** This chapter shall be known and cited as
5 "Washington taxpayers' rights and responsibilities."

6 NEW SECTION. **Sec. 2.** (1) The legislature finds that taxes are
7 one of the most sensitive points of contact between citizens and their
8 government, and that there is a delicate balance between revenue
9 collection and taxpayers' rights and responsibilities. It is the
10 intent of the legislature to enact guarantees in the state of
11 Washington to ensure that the rights, privacy and property of
12 Washington taxpayers are protected adequately during the process of the
13 assessment and collection of taxes.

1 (2) The legislature further finds that the Washington tax system is
2 based largely on voluntary compliance and that taxpayers have a
3 responsibility to inform themselves about applicable tax laws. The
4 legislature also finds that the rights of the taxpayers and their
5 attendant responsibilities are best implemented where the department of
6 revenue provides accurate tax information, instructions, forms,
7 administrative policies, and procedures to assist taxpayers to
8 voluntarily comply with the provisions of the revenue act, Title 82
9 RCW, and where taxpayers cooperate in the administration of these
10 provisions.

11 NEW SECTION. **Sec. 3.** The department of revenue shall
12 administer this chapter. The department of revenue shall adopt or
13 amend rules as may be necessary to fully implement this chapter and the
14 rights established under this chapter.

15 NEW SECTION. **Sec. 4.** To ensure uniform and consistent
16 administration of the revenue laws by the department of revenue,
17 taxpayers have certain rights intrinsic in chapter 82.32 RCW, more
18 precisely set forth in sections 5 through 7 of this act.

19 NEW SECTION. **Sec. 5.** The taxpayers of the state of Washington
20 have the right to fair and equitable treatment, including, but not
21 limited to:

22 (1) The right to a written statement that generally explains the
23 basis for a tax deficiency assessment, interest, and penalties at the
24 time the assessments are issued;

25 (2) The right of an individual taxpayer to rely on specific,
26 official written advice and written tax reporting instructions from the
27 department of revenue to that taxpayer, and to have interest,

1 penalties, and in some instances, tax deficiency assessments waived
2 where the taxpayer has so relied to their proven detriment;

3 (3) The right to redress and relief where tax laws or rules are
4 found to be unconstitutional and the right to prompt administrative
5 remedies in such cases; and

6 (4) The right to confidentiality and protection from public
7 inquiry regarding financial and business information in the possession
8 of the department of revenue in accordance with the requirements of RCW
9 82.32.330.

10 NEW SECTION. **Sec. 6.** The taxpayers of the state of Washington
11 have the right to notice and due process in the administration of the
12 tax system, including, but not limited to, the right to receive, upon
13 request, clear and current tax instructions, rules, procedures, forms,
14 and other tax information.

15 NEW SECTION. **Sec. 7.** The taxpayers of the state of Washington
16 have rights pertaining to reviews and appeals under chapter 82.32 RCW,
17 as well as, the right to a prompt and independent administrative review
18 by the department of revenue of a decision to revoke a tax registration
19 for nonpayment of tax or for any other reason, and to a written
20 determination sustaining the revocation or reinstating registration.

21 NEW SECTION. **Sec. 8.** To ensure consistent application of the
22 revenue laws, taxpayers have certain responsibilities under chapter
23 82.32 RCW, including, but not limited to, the responsibility to:

- 24 (1) Register with the department of revenue;
- 25 (2) Know their tax reporting obligations, and where uncertainty
26 exists, seek instructions from the department of revenue;
- 27 (3) Keep accurate and complete business records;

- 1 (4) File accurate returns and pay taxes in a timely manner;
- 2 (5) Ensure the accuracy of the information entered on their tax
- 3 returns;
- 4 (6) Substantiate claims for refund;
- 5 (7) Timely pay all taxes after closing a business and request
- 6 cancellation of registration number; and
- 7 (8) Timely respond to communications from the department of
- 8 revenue.

9 NEW SECTION. **Sec. 9.** The director of the department of
10 revenue shall appoint a taxpayer rights advocate. The advocate shall
11 be responsible for directly assisting taxpayers and their
12 representatives to assure their understanding and utilization of the
13 policies, processes, and procedures available to them in the resolution
14 of problems.

15 NEW SECTION. **Sec. 10.** The department of revenue shall maintain
16 a taxpayer services program consisting of, but not limited to:

- 17 (1) Providing taxpayer assistance in the form of information,
- 18 education, and instruction in person, by telephone, or by
- 19 correspondence;
- 20 (2) Conducting tax workshops at locations most conveniently
- 21 accessible to the majority of taxpayers affected; and
- 22 (3) Publishing written bulletins, instructions, current revenue
- 23 laws, rules, court decisions, and interpretive rulings of the
- 24 department of revenue.

25 NEW SECTION. **Sec. 11.** Sections 1 through 10 of this act shall
26 constitute a new chapter in Title 82 RCW.