
SUBSTITUTE HOUSE BILL 1960

State of Washington

56th Legislature

1999 Regular Session

By House Committee on Finance (originally sponsored by Representatives Cairnes, Reardon, Huff, Linville, Carrell, Campbell, Mulliken, O'Brien and Koster)

Read first time 03/08/1999.

1 AN ACT Relating to revising laws impacting retailer tax collection
2 and remittance; amending RCW 82.32.045; adding a new section to chapter
3 35.58 RCW; adding a new section to chapter to 44.04 RCW; adding a new
4 section to chapter 81.104 RCW; adding a new section to chapter 82.14
5 RCW; and creating a new section.

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

7 **Sec. 1.** RCW 82.32.045 and 1996 c 111 s 3 are each amended to read
8 as follows:

9 (1) Except as otherwise provided in this chapter, payments of the
10 taxes imposed under chapters 82.04, 82.08, 82.12, 82.14, and 82.16 RCW,
11 along with reports and returns on forms prescribed by the department,
12 are due monthly within twenty-five days after the end of the month in
13 which the taxable activities occur.

14 (2) The department of revenue may relieve any taxpayer or class of
15 taxpayers from the obligation of remitting monthly and may require the
16 return to cover other longer reporting periods, but in no event may
17 returns be filed for a period greater than one year. For these
18 taxpayers, tax payments are due on or before the last day of the month
19 next succeeding the end of the period covered by the return.

1 (3) The department of revenue may implement through rule a
2 procedure for the remittance of estimated tax if, after review and
3 examination of the advantages and disadvantages to the department and
4 to taxpayers, the department finds that the advantages outweigh the
5 disadvantages and that implementation would be an improvement over the
6 existing reporting system. As part of the review and examination, the
7 department shall seek input from taxpayers on this issue and shall
8 consult with other states regarding experience with estimated tax. The
9 department must make a "yes" or "no" decision regarding whether it will
10 implement an estimated tax procedure by December 1, 1999, and shall in
11 writing inform the fiscal committees of the senate and the house of
12 representatives of the decision to proceed or not proceed with a rule.

13 (4) The department of revenue may also require verified annual
14 returns from any taxpayer, setting forth such additional information as
15 it may deem necessary to correctly determine tax liability.

16 (~~(4)~~) (5) Notwithstanding subsections (1) and (2) of this
17 section, the department may relieve any person of the requirement to
18 file returns if the following conditions are met:

19 (a) The person's value of products, gross proceeds of sales, or
20 gross income of the business, from all business activities taxable
21 under chapter 82.04 RCW, is less than twenty-four thousand dollars per
22 year;

23 (b) The person's gross income of the business from all activities
24 taxable under chapter 82.16 RCW is less than twenty-four thousand
25 dollars per year; and

26 (c) The person is not required to collect or pay to the department
27 of revenue any other tax or fee which the department is authorized to
28 collect.

29 NEW SECTION. Sec. 2. The legislature finds that retailers have an
30 important role in the state's tax system by collecting sales tax from
31 consumers and remitting it to the state. Changes to the tax system,
32 such as rate or exemption changes place an accounting and
33 organizational burden on these businesses. In recognition of that
34 burden, it is the intent of the legislature to limit changes to state
35 and local sales and use tax to once a year. Additionally, it is the
36 intent of the legislature to require the local government enacting or
37 revising a tax to give advance notice to the department of revenue of
38 any such change so that the department may provide adequate notice to

1 retailers of pending changes. Sections 3 through 6 of this act are
2 intended to minimize the retailer computer reprogramming costs that
3 result from changes in the tax.

4 NEW SECTION. **Sec. 3.** A new section is added to chapter 35.58 RCW
5 to read as follows:

6 In order to lessen the disruption on sellers, ordinances enacting
7 or revising a sales and use tax under the authority of this chapter
8 shall require ordinances to take effect October 1st. Ordinances must
9 be enacted no later than July 1st to take effect the following October
10 1st. The department of revenue must receive notice of any changes to
11 taxes authorized under this chapter no later than fifteen days after
12 the date of enactment of such changes. The department of revenue must
13 notify the sellers responsible for collecting the tax of the change not
14 less than sixty days prior to the effective date.

15 NEW SECTION. **Sec. 4.** A new section is added to chapter 44.04 RCW
16 to read as follows:

17 In order to lessen the disruption on sellers, legislation enacting
18 or revising a sales and use tax under chapters 82.08, 82.12, and 82.14
19 RCW shall provide that the act take effect October 1st. The department
20 of revenue must notify the sellers responsible for collecting the tax
21 of the change not less than sixty days prior to the effective date.

22 NEW SECTION. **Sec. 5.** A new section is added to chapter 81.104 RCW
23 to read as follows:

24 In order to lessen the disruption on sellers, ordinances enacting
25 or revising a sales and use tax under the authority of this chapter
26 shall require ordinances to take effect October 1st. Ordinances must
27 be enacted no later than July 1st to take effect the following October
28 1st. The department of revenue must receive notice of any changes to
29 taxes authorized under this chapter no later than fifteen days after
30 the date of enactment of such changes. The department of revenue must
31 notify the sellers responsible for collecting the tax of the change not
32 less than sixty days prior to the effective date.

33 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.14 RCW
34 to read as follows:

1 In order to lessen the disruption on sellers, ordinances enacting
2 or revising a sales and use tax under the authority of this chapter
3 shall require ordinances to take effect October 1st. Ordinances must
4 be enacted no later than July 1st to take effect the following October
5 1st. The department of revenue must receive notice of any changes to
6 taxes authorized under this chapter no later than fifteen days after
7 the date of enactment of such changes. The department of revenue must
8 notify the sellers responsible for collecting the tax of the change not
9 less than sixty days prior to the effective date.

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