

SENATE BILL REPORT

SB 6412

As of February 4, 2014

Title: An act relating to tax, penalty, and interest assessments on claims for collection of sales tax debt.

Brief Description: Concerning tax, penalty, and interest assessments on claims for collection of sales tax debt.

Sponsors: Senators Cleveland, Rolfes, Hasegawa, Chase, Ranker, Braun and Kline.

Brief History:

Committee Activity: Ways & Means: 2/04/14.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Dean Carlson (786-7305)

Background: Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the user acquired the property, digital products, or services, then use taxes apply to the value of the property, digital product, or service when used in this state. The state, most cities, and all counties levy retail sales and use taxes.

The sales tax must be paid by the buyer to the seller. The sales tax constitutes a debt from the buyer to the seller. The sales tax is held in trust by the seller until it is paid to the Department of Revenue (DOR).

Summary of Bill: A seller cannot make a claim for unpaid sales tax against a buyer longer than the statutory period for assessment of taxes, penalties, or interest, which is the current year plus four additional calendar years. The unpaid sales tax debt continues until the tax is paid by the seller to DOR.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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Effective Date: Ninety days after adjournment of session in which bill is passed.