S-1035.1

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**SENATE BILL 5784**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Senator Rivers

AN ACT Relating to estate tax interest waivers; and amending RCW 83.100.070.

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

**Sec.**  RCW 83.100.070 and 2005 c 516 s 7 are each amended to read as follows:

(1) For periods before January 2, 1997, any tax due under this chapter ((~~which~~))that is not paid by the due date under RCW 83.100.060(1) ((~~shall~~))must bear interest at the rate of twelve percent per annum from the date the tax is due until the date of payment.

(2)(a) Interest imposed under this section for periods after January 1, 1997, ((~~shall~~))must be computed at the rate as computed under RCW 82.32.050(2). The rate so computed ((~~shall~~))must be adjusted on the first day of January of each year.

(b) The department must waive interest accruing for the period beginning October 18, 2012, through October 2, 2014, on the amount of unpaid tax due under this chapter on the value of property included in the decedent's gross estate under section 2044 of the internal revenue code if the decedent's interest in such property was acquired before May 17, 2005. This subsection does not authorize the refunding of interest paid before the effective date of this section.

(3)(a) If the Washington return is not filed when due under RCW 83.100.050 and the person required to file the Washington return under RCW 83.100.050 voluntarily files the Washington return with the department before the department notifies the person in writing that the department has determined that the person has not filed a Washington return, no penalty is imposed on the person required to file the Washington return.

(b) If the Washington return is not filed when due under RCW 83.100.050 and the person required to file the Washington return under RCW 83.100.050 does not file a return with the department before the department notifies the person in writing that the department has determined that the person has not filed a Washington return, the person required to file the Washington return ((~~shall~~))must pay, in addition to interest, a penalty equal to five percent of the tax due for each month after the date the return is due until filed. However, in no instance may the penalty exceed the lesser of twenty-five percent of the tax due or one thousand five hundred dollars.

(c) If the department finds that a return due under this chapter has not been filed by the due date, and the delinquency was the result of circumstances beyond the control of the responsible person, the department ((~~shall~~))must waive or cancel any penalties imposed under this chapter with respect to the filing of such a tax return. The department ((~~shall~~))must adopt rules for the waiver or cancellation of the penalties imposed by this section.

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