
SENATE BILL 6599

State of Washington 64th Legislature 2016 Regular Session

By Senators Lias, Roach, Hobbs, and McAuliffe

Read first time 01/28/16. Referred to Committee on Health Care.

1 AN ACT Relating to extending the refund period for the
2 overpayment of business and occupation taxes for certain assisted
3 living facilities; and amending RCW 82.32.060.

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

5 **Sec. 1.** RCW 82.32.060 and 2009 c 176 s 4 are each amended to
6 read as follows:

7 (1) If, upon receipt of an application by a taxpayer for a refund
8 or for an audit of the taxpayer's records, or upon an examination of
9 the returns or records of any taxpayer, it is determined by the
10 department that within the statutory period for assessment of taxes,
11 penalties, or interest prescribed by RCW 82.32.050 any amount of tax,
12 penalty, or interest has been paid in excess of that properly due,
13 the excess amount paid within, or attributable to, such period must
14 be credited to the taxpayer's account or must be refunded to the
15 taxpayer, at the taxpayer's option. Except as provided in subsection
16 (2) of this section, no refund or credit may be made for taxes,
17 penalties, or interest paid more than four years prior to the
18 beginning of the calendar year in which the refund application is
19 made or examination of records is completed.

20 (2)(a) The execution of a written waiver under RCW 82.32.050 or
21 82.32.100 will extend the time for making a refund or credit of any

1 taxes paid during, or attributable to, the years covered by the
2 waiver if, prior to the expiration of the waiver period, an
3 application for refund of such taxes is made by the taxpayer or the
4 department discovers a refund or credit is due.

5 (b) A refund or credit must be allowed for an excess payment
6 resulting from the failure to claim a bad debt deduction, credit, or
7 refund under RCW 82.04.4284, 82.08.037, 82.12.037, 82.14B.150, or
8 82.16.050(5) for debts that became bad debts under 26 U.S.C. Sec.
9 166, as amended or renumbered as of January 1, 2003, less than four
10 years prior to the beginning of the calendar year in which the refund
11 application is made or examination of records is completed.

12 (c) The department may, following the expiration of the waiver
13 period, extend by another four years the time for making a refund or
14 credit of any taxes paid by any assisted living facility licensed
15 under chapter 18.20 RCW with a medicaid contract under chapter 74.39A
16 RCW, or any nursing home licensed under chapter 18.51 RCW with a
17 medicaid contract under chapter 74.46 RCW, if the taxpayer's
18 application persuades the department, in its sole discretion, that
19 the overpayment of taxes properly due may impair the ability of the
20 facility to continue offering medicaid care; maintain staffing; or
21 enhance staffing.

22 (3) Any such refunds must be made by means of vouchers approved
23 by the department and by the issuance of state warrants drawn upon
24 and payable from such funds as the legislature may provide. However,
25 taxpayers who are required to pay taxes by electronic funds transfer
26 under RCW 82.32.080 must have any refunds paid by electronic funds
27 transfer if the department has the necessary account information to
28 facilitate a refund by electronic funds transfer.

29 (4) Any judgment for which a recovery is granted by any court of
30 competent jurisdiction, not appealed from, for tax, penalties, and
31 interest which were paid by the taxpayer, and costs, in a suit by any
32 taxpayer must be paid in the same manner, as provided in subsection
33 (3) of this section, upon the filing with the department of a
34 certified copy of the order or judgment of the court.

35 (a) Interest at the rate of three percent per annum must be
36 allowed by the department and by any court on the amount of any
37 refund, credit, or other recovery allowed to a taxpayer for taxes,
38 penalties, or interest paid by the taxpayer before January 1, 1992.
39 This rate of interest applies for all interest allowed through
40 December 31, 1998. Interest allowed after December 31, 1998, must be

1 computed at the rate as computed under RCW 82.32.050(2). The rate so
2 computed must be adjusted on the first day of January of each year
3 for use in computing interest for that calendar year.

4 (b) For refunds or credits of amounts paid or other recovery
5 allowed to a taxpayer after December 31, 1991, the rate of interest
6 must be the rate as computed for assessments under RCW 82.32.050(2)
7 less one percent. This rate of interest applies for all interest
8 allowed through December 31, 1998. Interest allowed after December
9 31, 1998, must be computed at the rate as computed under RCW
10 82.32.050(2). The rate so computed must be adjusted on the first day
11 of January of each year for use in computing interest for that
12 calendar year.

13 (5) Interest allowed on a credit notice or refund issued after
14 December 31, 2003, must be computed as follows:

15 (a) If all overpayments for each calendar year and all reporting
16 periods ending with the final month included in a notice or refund
17 were made on or before the due date of the final return for each
18 calendar year or the final reporting period included in the notice or
19 refund:

20 (i) Interest must be computed from January 31st following each
21 calendar year included in a notice or refund; or

22 (ii) Interest must be computed from the last day of the month
23 following the final month included in a notice or refund.

24 (b) If the taxpayer has not made all overpayments for each
25 calendar year and all reporting periods ending with the final month
26 included in a notice or refund on or before the dates specified by
27 RCW 82.32.045 for the final return for each calendar year or the
28 final month included in the notice or refund, interest must be
29 computed from the last day of the month following the date on which
30 payment in full of the liabilities was made for each calendar year
31 included in a notice or refund, and the last day of the month
32 following the date on which payment in full of the liabilities was
33 made if the final month included in a notice or refund is not the end
34 of a calendar year.

35 (c) Interest included in a credit notice must accrue up to the
36 date the taxpayer could reasonably be expected to use the credit
37 notice, as defined by the department's rules. If a credit notice is
38 converted to a refund, interest must be recomputed to the date the

1 refund is issued, but not to exceed the amount of interest that would
2 have been allowed with the credit notice.

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