

FINAL BILL REPORT

ESHB 1357

C 330 L 91
Synopsis As Enacted

Brief Description: Relating to the public disclosure of tax information.

By House Committee on Revenue (originally sponsored by Representatives Fraser, Holland, Wang, Wynne, Winsley, Moyer, Paris and May; by request of Department of Revenue).

House Committee on Revenue
Senate Committee on Law & Justice

Background: The Department of Revenue (DOR) collects the majority of general fund taxes. DOR must keep tax returns and other information confidential, except in certain circumstances. DOR may provide information in court actions, or to the Internal Revenue Service and certain other governmental entities. DOR also releases "sanitized" versions of determinations, in which information that would identify the taxpayer has been deleted, to notify taxpayers of administrative law changes.

The statutes are somewhat vague as to how much information DOR may disclose. There are substantial penalties, including loss of state employment, for the unauthorized release of confidential information.

Summary: DOR is provided with specific guidelines on the type of taxpayer information to be released, and the circumstances under which the information may be released. The director of DOR may designate certain written determinations as precedents, and these determinations are to be made available to the public. DOR must adopt by rule, specific criteria for deciding whether a determination is a precedent. The criteria must include at least: whether the determination clarifies an unsettled interpretation of the excise tax statutes; and, whether the determination modifies or clarifies an earlier interpretation.

Upon request by a taxpayer, DOR must release any written determination it uses to make assessments against that taxpayer. However, DOR may only release determinations after names, addresses, and other identifying details of the taxpayer to whom the determination pertains have been deleted.

Votes on Final Passage:

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| House | 98 | 0 | |
| Senate | 39 | 1 | (Senate amended) |
| House | 94 | 0 | (House concurred) |

Effective: July 28, 1991