

HOUSE BILL REPORT

HB 2680

*As Reported By House Committee on:
Revenue*

Title: An act relating to the improvement of the administration of the assessment and collection of taxes.

Brief Description: Modifying provisions for the assessment and collection of taxes.

Sponsor(s): Representatives J. Kohl, Brumsickle and Fraser; by request of Department of Revenue.

Brief History:

Reported by House Committee on:
Revenue, January 31, 1992, DPA.

**HOUSE COMMITTEE ON
REVENUE**

Majority Report: *Do pass as amended.* Signed by 14 members: Representatives Wang, Chair; Fraser, Vice Chair; Brumsickle, Ranking Minority Member; Wynne, Assistant Ranking Minority Member; Belcher; Carlson; Day; J. Kohl; Leonard; Morris; Morton; Rust; Silver; and Van Luven.

Staff: Robin Appleford (786-7093).

Background: The retail sales tax is generally remitted by the seller of the taxed good or service to the Department of Revenue (DOR) by the 25th of each month following the tax period in which the purchase was made. In cases where a buyer has failed to pay sales tax to the seller, DOR may proceed directly against the buyer for collection of the tax, and may assess penalties and interest against the buyer from the time the tax is due. In this case, the statutory due date is set at the 15th day of the month instead of the 25th.

When a taxpayer believes his or her tax assessment is too high, the taxpayer may appeal to DOR for a refund. If DOR rejects the appeal, the taxpayer may appeal to the Thurston County Superior Court. Within 10 days of filing the appeal, the taxpayer must file a \$200 bond with the superior court. The intent of the bond requirement is to cover court costs if the appeal is not sustained.

Emergency lodging provided to homeless persons by eligible organizations is exempt from local option hotel/motel taxes. The statute states that the taxes do not apply to lodging provided for a period of 30 days.

The state leasehold excise tax is imposed on property used for private purposes that is also exempt from property taxation. The tax is collected by public entities that lease property to private parties. Currently, the tax must be remitted to DOR by the 15th of each month following the period in which the tax is collected.

Summary of Amended Bill: Various statutes are repealed or amended to correct statutory references. The statute extending the hotel/motel tax exemption to homeless organizations is changed to clarify that the taxes do not apply to lodging provided for a period of less than 30 days. The requirement that taxpayers file a \$200 bond is removed.

The statutory due date for remittance of retail sales tax collections due from the buyer is changed from the 15th to the 25th of the month following the tax collection period. The date for remittance of the state leasehold excise tax is changed from the 15th of the month to the last day of the month following the tax collection period.

Amended Bill Compared to Original Bill: The amended bill makes one technical change.

Fiscal Note: Available.

Effective Date of Amended Bill: July 1, 1992.

Testimony For: This bill repeals obsolete statutes, makes technical changes and improves tax administration procedures.

Testimony Against: None.

Witnesses: Dennis Okamoto, Department of Revenue (in favor).