

CERTIFICATION OF ENROLLMENT

HOUSE BILL 1741

Chapter 357, Laws of 1999

56th Legislature
1999 Regular Session

TAX REPORTING

EFFECTIVE DATE: 7/1/99

Passed by the House April 19, 1999
Yeas 97 Nays 0

CLYDE BALLARD
Speaker of the House of Representatives

FRANK CHOPP
Speaker of the House of Representatives

Passed by the Senate April 13, 1999
Yeas 48 Nays 0

BRAD OWEN
President of the Senate

Approved May 17, 1999

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

We, Dean R. Foster and Timothy A. Martin, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1741** as passed by the House of Representatives and the Senate on the dates hereon set forth.

DEAN R. FOSTER
Chief Clerk

TIMOTHY A. MARTIN
Chief Clerk

FILED

May 17, 1999 - 3:23 p.m.

**Secretary of State
State of Washington**

HOUSE BILL 1741

AS AMENDED BY THE SENATE

Passed Legislature - 1999 Regular Session

State of Washington 56th Legislature 1999 Regular Session

By Representatives Fortunato, Lovick and Thomas; by request of
Department of Revenue

Read first time 02/04/1999. Referred to Committee on Finance.

1 AN ACT Relating to simplifying tax reporting by revising the active
2 nonreporting threshold so that it parallels the small business credit;
3 amending RCW 82.32.045 and 82.32.080; creating a new section; providing
4 an effective date; and declaring an emergency.

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

6 **Sec. 1.** RCW 82.32.045 and 1996 c 111 s 3 are each amended to read
7 as follows:

8 (1) Except as otherwise provided in this chapter, payments of the
9 taxes imposed under chapters 82.04, 82.08, 82.12, 82.14, and 82.16 RCW,
10 along with reports and returns on forms prescribed by the department,
11 are due monthly within twenty-five days after the end of the month in
12 which the taxable activities occur.

13 (2) The department of revenue may relieve any taxpayer or class of
14 taxpayers from the obligation of remitting monthly and may require the
15 return to cover other longer reporting periods, but in no event may
16 returns be filed for a period greater than one year. For these
17 taxpayers, tax payments are due on or before the last day of the month
18 next succeeding the end of the period covered by the return.

1 (3) The department of revenue may also require verified annual
2 returns from any taxpayer, setting forth such additional information as
3 it may deem necessary to correctly determine tax liability.

4 (4) Notwithstanding subsections (1) and (2) of this section, the
5 department may relieve any person of the requirement to file returns if
6 the following conditions are met:

7 (a) The person's value of products, gross proceeds of sales, or
8 gross income of the business, from all business activities taxable
9 under chapter 82.04 RCW, is less than (~~twenty-four~~) twenty-eight
10 thousand dollars per year;

11 (b) The person's gross income of the business from all activities
12 taxable under chapter 82.16 RCW is less than twenty-four thousand
13 dollars per year; and

14 (c) The person is not required to collect or pay to the department
15 of revenue any other tax or fee which the department is authorized to
16 collect.

17 NEW SECTION. **Sec. 2.** It is the intent of the legislature to allow
18 the department of revenue to increase its ability to provide timely and
19 cost-effective service to taxpayers.

20 **Sec. 3.** RCW 82.32.080 and 1997 c 156 s 3 are each amended to read
21 as follows:

22 Payment of the tax may be made by uncertified check under such
23 regulations as the department shall prescribe, but, if a check so
24 received is not paid by the bank on which it is drawn, the taxpayer, by
25 whom such check is tendered, shall remain liable for payment of the tax
26 and for all legal penalties, the same as if such check had not been
27 tendered.

28 Payment of the tax shall be made by electronic funds transfer, as
29 defined in RCW 82.32.085, if the amount of the tax due in a calendar
30 year is one million eight hundred thousand dollars or more. The
31 department may by rule provide for tax thresholds between two hundred
32 forty thousand dollars and one million eight hundred thousand dollars
33 for mandatory use of electronic funds transfer. All taxes administered
34 by this chapter are subject to this requirement except the taxes
35 authorized by chapters 82.14A, 82.14B, 82.24, 82.27, 82.29A, and 84.33
36 RCW. It is the intent of this section to require electronic funds

1 transfer for those taxes reported on the department's combined excise
2 tax return or any successor return.

3 A return or remittance which is transmitted to the department by
4 United States mail shall be deemed filed or received on the date shown
5 by the post office cancellation mark stamped upon the envelope
6 containing it, except as otherwise provided in this chapter. The
7 department is authorized to allow electronic filing of returns or
8 remittances from any taxpayer. A return or remittance which is
9 transmitted to the department electronically shall be deemed filed or
10 received according to procedures set forth by the department.

11 The department, for good cause shown, may extend the time for
12 making and filing any return, and may grant such reasonable additional
13 time within which to make and file returns as it may deem proper, but
14 any permanent extension granting the taxpayer a reporting date without
15 penalty more than ten days beyond the due date, and any extension in
16 excess of thirty days shall be conditional on deposit with the
17 department of an amount to be determined by the department which shall
18 be approximately equal to the estimated tax liability for the reporting
19 period or periods for which the extension is granted. In the case of
20 a permanent extension or a temporary extension of more than thirty days
21 the deposit shall be deposited within the state treasury with other tax
22 funds and a credit recorded to the taxpayer's account which may be
23 applied to taxpayer's liability upon cancellation of the permanent
24 extension or upon reporting of the tax liability where an extension of
25 more than thirty days has been granted.

26 The department shall review the requirement for deposit at least
27 annually and may require a change in the amount of the deposit required
28 when it believes that such amount does not approximate the tax
29 liability for the reporting period or periods for which the extension
30 is granted.

31 The department shall keep full and accurate records of all funds
32 received and disbursed by it. Subject to the provisions of RCW
33 82.32.105 and 82.32.350, the department shall apply the payment of the
34 taxpayer first against penalties and interest, and then upon the tax,
35 without regard to any direction of the taxpayer.

36 The department may refuse to accept any return which is not
37 accompanied by a remittance of the tax shown to be due thereon. When
38 such return is not accepted, the taxpayer shall be deemed to have
39 failed or refused to file a return and shall be subject to the

1 procedures provided in RCW 82.32.100 and to the penalties provided in
2 RCW 82.32.090. The above authority to refuse to accept a return shall
3 not apply when a return is timely filed and a timely payment has been
4 made by electronic funds transfer.

5 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
6 preservation of the public peace, health, or safety, or support of the
7 state government and its existing public institutions, and takes effect
8 July 1, 1999.

Passed the House April 19, 1999.

Passed the Senate April 13, 1999.

Approved by the Governor May 17, 1999.

Filed in Office of Secretary of State May 17, 1999.