
ENGROSSED SENATE BILL 6698

State of Washington 58th Legislature 2004 Regular Session

By Senators Benton and Zarelli

Read first time 02/02/2004. Referred to Committee on Ways & Means.

1 AN ACT Relating to accounting methods for excise tax purposes; and
2 amending RCW 82.08.100 and 82.12.070.

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

4 **Sec. 1.** RCW 82.08.100 and 1982 1st ex.s. c 35 s 37 are each
5 amended to read as follows:

6 (1) The department of revenue, by general regulation, shall provide
7 that a taxpayer whose regular books of account are kept on a cash
8 receipts basis may file returns based upon his cash receipts for each
9 reporting period and pay the tax herein provided upon such basis in
10 lieu of reporting and paying the tax on all sales made during such
11 period.

12 (2) Upon a showing of substantial hardship by the taxpayer, the
13 department shall allow a taxpayer whose regular books of account are
14 kept on an accrual basis to file returns based upon his cash receipts
15 for each reporting period and pay the tax herein provided upon such
16 basis in lieu of reporting and paying the tax on all sales made during
17 such period. "Substantial hardship" means that on the due date of a
18 return the taxpayer's retail sales tax billed but not collected for the
19 tax-reporting period is more than seventy-five percent of the total tax

1 due on the return for the same tax-reporting period. Once a taxpayer
2 whose regular books of account are kept on an accrual basis elects to
3 report on a cash basis because of a substantial hardship, the taxpayer
4 must continue to report on a cash basis for at least twelve months.

5 (3) A taxpayer filing returns on a cash receipts basis is not
6 required to pay such tax on debts which are deductible as worthless for
7 federal income tax purposes.

8 **Sec. 2.** RCW 82.12.070 and 1982 1st ex.s. c 35 s 38 are each
9 amended to read as follows:

10 (1) The department of revenue, by general regulation, shall provide
11 that a taxpayer whose regular books of account are kept on a cash
12 receipts basis may file returns based upon his cash receipts for each
13 reporting period and pay the tax herein provided upon such basis in
14 lieu of reporting and paying the tax on all sales made during such
15 period.

16 (2) Upon a showing of substantial hardship by the taxpayer, the
17 department shall allow a taxpayer whose regular books of account are
18 kept on an accrual basis to file returns based upon his cash receipts
19 for each reporting period and pay the tax herein provided upon such
20 basis in lieu of reporting and paying the tax on all sales made during
21 such period. "Substantial hardship" means that on the due date of a
22 return the taxpayer's retail sales tax billed but not collected for the
23 tax-reporting period is more than seventy-five percent of the total tax
24 due on the return for the same tax-reporting period. Once a taxpayer
25 whose regular books of account are kept on an accrual basis elects to
26 report on a cash basis because of a substantial hardship the taxpayer
27 must continue to report on a cash basis for at least twelve months.

28 (3) A taxpayer filing returns on a cash receipts basis is not
29 required to pay such tax on debts which are deductible as worthless for
30 federal income tax purposes.

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