

6698

Sponsor(s): Senators Benton and Zarelli

Brief Description: Modifying excise tax accounting requirements. (REVISED FOR ENGROSSED: Allowing an accrual basis taxpayer to use the cash basis method for excise tax purposes upon a showing of substantial hardship.)

SB 6698.E - DIGEST

(AS OF SENATE 2ND READING 2/12/04)

Provides that, upon a showing of substantial hardship by the taxpayer, the department shall allow a taxpayer whose regular books of account are kept on an accrual basis to file returns based upon his cash receipts for each reporting period and pay the tax herein provided upon such basis in lieu of reporting and paying the tax on all sales made during such period.

Declares that "substantial hardship" means that on the due date of a return the taxpayer's retail sales tax billed but not collected for the tax-reporting period is more than seventy-five percent of the total tax due on the return for the same tax-reporting period. Once a taxpayer whose regular books of account are kept on an accrual basis elects to report on a cash basis because of a substantial hardship, the taxpayer must continue to report on a cash basis for at least twelve months.