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**HOUSE BILL 2615**

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**State of Washington                      69th Legislature                      2026 Regular Session**

**By** Representatives Walen, Orcutt, Jacobsen, and Barnard

Read first time 01/22/26. Referred to Committee on Finance.

1            AN ACT Relating to codifying the voluntary disclosure tax program  
2 and authorizing temporary tax amnesty; amending RCW 82.32.080; and  
3 adding new sections to chapter 82.32 RCW.

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

5            NEW SECTION.    **Sec. 1.**    A new section is added to chapter 82.32  
6 RCW to read as follows:

7            (1) Beginning July 1, 2027, the department shall implement a  
8 voluntary disclosure program for all persons. All persons, including  
9 affiliates and subsidiaries of such persons, may participate in the  
10 voluntary disclosure program unless otherwise provided in this  
11 section. The department shall waive all penalties for participating  
12 entities of the voluntary disclosure program for the purpose of  
13 registering and collecting revenue due from persons subject to the  
14 tax levied under chapter 82.04 RCW.

15            (2) In order to apply for the voluntary disclosure program, a  
16 person must:

- 17            (a) Disclose all relevant taxable activity to the department;  
18            (b) Have not engaged in fraud, evasion, or misrepresentation in  
19 reporting tax liabilities;

1 (c) Have not been directly contacted by the department during the  
2 current calendar year or the four calendar years prior to submitting  
3 an application; and

4 (d) Meet any general application requirements set forth by the  
5 department.

6 (3) The department may make rules to implement the voluntary  
7 disclosure program created in this section.

8 (4) The department may rescind a voluntary disclosure agreement  
9 within one year of the application if a business entity is found to  
10 have misrepresented or falsified any information on their application  
11 for the voluntary disclosure program.

12 (5) For the purposes of this section, the following definitions  
13 apply:

14 (a) "Persons" has the same meaning as in RCW 82.04.030; and

15 (b) "Directly contacted" means that contact was made to the  
16 applicant by the department for tax enforcement purposes and the  
17 department required the person to take some form of action by a date  
18 certain in response to the contact.

19 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.32  
20 RCW to read as follows:

21 (1) Except as otherwise provided in subsections (4) and (5) of  
22 this section, the department must waive all penalties and interest  
23 otherwise due under this chapter that are unpaid as of the effective  
24 date of this section if all the following circumstances are met:

25 (a) The penalties and interest are imposed with respect to: (i)  
26 State business and occupation tax, state public utility tax, state or  
27 local sales tax, or state or local use tax; and (ii) tax liability  
28 that first became due to the department before July 1, 2026, which  
29 includes taxes billed to the taxpayer, or disclosed by the taxpayer  
30 to the department, on or after July 1, 2026, but that were required  
31 by this chapter to have been reported and paid by the taxpayer before  
32 July 1, 2026;

33 (b) The taxpayer must file with the department no later than  
34 August 17, 2026:

35 (i) All outstanding tax returns for the taxes specified in (a)(i)  
36 of this subsection (1); and

37 (ii) Any amended returns covering tax liabilities with respect to  
38 which a penalty and interest waiver under this section is requested;

1 (c) Before October 1, 2026, the taxpayer must remit full payment  
2 to the department of the balance due on all tax liabilities for which  
3 a penalty and interest waiver under this section is requested. If a  
4 waiver is requested for penalties or interest associated with an  
5 invoice that has been billed to the taxpayer, the taxpayer must remit  
6 full payment to the department of the entire balance due on that  
7 invoice other than any penalty and interest eligible for waiver under  
8 this section, even if the invoice includes taxes not specified in  
9 (a)(i) of this subsection (1). If the invoice is a tax warrant, the  
10 taxpayer must also remit full payment to the department of any filing  
11 or other fees added to the tax warrant, including the filing fees  
12 provided in RCW 36.18.012 (2) and (10), the fees imposed in RCW  
13 36.18.016(4), and the surcharge imposed in RCW 40.14.027;

14 (d) The taxpayer must file and pay in full by the due date all  
15 tax returns that become due after June 30, 2026, and before October  
16 1, 2026, for all taxes administered by the department under this  
17 chapter;

18 (e) No later than August 17, 2026, the department must receive a  
19 completed application for penalty and interest waiver under this  
20 section in a form and manner prescribed by the department;

21 (f) The taxpayer must never have had an evasion penalty assessed  
22 against the taxpayer by the department under RCW 82.32.090 or a  
23 penalty assessed against the taxpayer by the department under RCW  
24 82.32.291 for misusing a reseller permit or resale certificate;

25 (g) The taxpayer must never have been a defendant in a criminal  
26 prosecution related to an offense involving the failure to collect or  
27 pay the proper amount of any tax administered by the department under  
28 this chapter; and

29 (h) The taxpayer is not in the process of being audited by the  
30 department or the taxpayer does not have a past due balance owed to  
31 the department.

32 (2) Taxpayers receiving penalty or interest relief under this  
33 section may not seek a refund, or otherwise challenge the amount, of  
34 any tax liability paid as required by subsection (1)(c) of this  
35 section. This subsection (2) applies to refund requests or appeals  
36 filed directly with the department and to proceedings brought in any  
37 court or administrative tribunal.

38 (3) All tax liability reported and paid as required in subsection  
39 (1) (b), (c), and (d) of this section is subject to verification by  
40 the department as provided in RCW 82.32.050. This section does not

1 preclude the assessment of taxes, penalties, and interest with  
2 respect to any amounts determined by the department to have been  
3 underpaid for any tax period for which the taxpayer previously  
4 received penalty or interest relief under this section.

5 (4) This section does not authorize the department to waive the  
6 evasion penalty currently authorized by RCW 82.32.090 or the penalty  
7 currently authorized by RCW 82.32.291 for misusing a reseller permit  
8 or resale certificate.

9 (5) If taxpayers are current for tax returns due as of March 31,  
10 2026, tax liability that accrues after that date would not qualify  
11 under this section.

12 (6) Nothing in this section may be construed as requiring a  
13 taxpayer to have first paid any penalty or interest for which a  
14 waiver is sought under this section.

15 (7) Solely for purposes of determining whether a taxpayer  
16 qualifies for a waiver of penalties or interest under this section  
17 with respect to a balance owing as of the effective date of this  
18 section on any invoice issued by the department, any payments made to  
19 the department on that taxpayer's account before October 1, 2026, are  
20 deemed to have been applied first to any of the taxes specified in  
21 subsection (1)(a)(i) of this section, then to any other taxes, and  
22 then to penalties or interest, if such payments were applied either:

23 (a) To that invoice; or

24 (b) Against any liability reflected in that invoice before that  
25 invoice was issued by the department.

26 (8) A taxpayer in a bankruptcy proceeding is ineligible for  
27 relief under this section to the extent that the payment of any tax  
28 debt by the taxpayer to the department as required under this section  
29 violates the federal bankruptcy code.

30 **Sec. 3.** RCW 82.32.080 and 2015 c 86 s 311 are each amended to  
31 read as follows:

32 (1) When authorized by the department, payment of the tax may be  
33 made by uncertified check under such rules as the department  
34 prescribes, but, if a check so received is not paid by the bank on  
35 which it is drawn, the taxpayer, by whom such check is tendered, will  
36 remain liable for payment of the tax and for all legal penalties and  
37 interest, the same as if such check had not been tendered.

38 (2)(a) Except as otherwise provided in this subsection, payment  
39 of the tax must be made by electronic funds transfer, as defined in

1 RCW 82.32.085. As an alternative to electronic funds transfer, the  
2 department may authorize other forms of electronic payment, such as  
3 payment by credit card. All taxes administered by this chapter are  
4 subject to this requirement, except that the department may exclude  
5 any taxes not reported on the combined excise tax return or any  
6 successor return from the electronic payment requirement in this  
7 subsection.

8 (b) The department may waive the electronic payment requirement  
9 in this subsection for any taxpayer or class of taxpayers, for good  
10 cause or for whom the department has assigned a reporting frequency  
11 that is less than quarterly. In the discretion of the department, a  
12 waiver under this subsection may be made temporary or permanent, and  
13 may be made on the department's own motion.

14 (c) The department is authorized to accept payment of taxes by  
15 electronic funds transfer or other acceptable forms of electronic  
16 payment from taxpayers that are not subject to the mandatory  
17 electronic payment requirements in this subsection.

18 (3)(a) Except as otherwise provided in this subsection, returns  
19 must be filed electronically using the department's online tax filing  
20 service or other method of electronic reporting as the department may  
21 authorize.

22 (b) The department may waive the electronic filing requirement in  
23 this subsection for any taxpayer or class of taxpayers, for good  
24 cause or for whom the department has assigned a reporting frequency  
25 that is less than quarterly. In the discretion of the department, a  
26 waiver under this subsection may be made temporary or permanent, and  
27 may be made on the department's own motion.

28 (c) The department is authorized to allow electronic filing of  
29 returns from taxpayers that are not subject to the mandatory  
30 electronic filing requirements in this subsection.

31 (4)(a)(i) The department, for good cause shown, may extend the  
32 time for making and filing any return, and may grant such reasonable  
33 additional time within which to make and file returns as it may deem  
34 proper, but any permanent extension granting the taxpayer a reporting  
35 date without penalty more than ten days beyond the due date, and any  
36 extension in excess of thirty days must be conditional on deposit  
37 with the department of an amount to be determined by the department  
38 which is approximately equal to the estimated tax liability for the  
39 reporting period or periods for which the extension is granted. In  
40 the case of a permanent extension or a temporary extension of more

1 than thirty days the deposit must be deposited within the state  
2 treasury with other tax funds and a credit recorded to the taxpayer's  
3 account which may be applied to taxpayer's liability upon  
4 cancellation of the permanent extension or upon reporting of the tax  
5 liability where an extension of more than thirty days has been  
6 granted.

7 (ii) The department must review the requirement for deposit at  
8 least annually and may require a change in the amount of the deposit  
9 required when it believes that such amount does not approximate the  
10 tax liability for the reporting period or periods for which the  
11 extension is granted.

12 (b) During a state of emergency declared under RCW 43.06.010(12),  
13 the department, on its own motion or at the request of any taxpayer  
14 affected by the emergency, may extend the time for making or filing  
15 any return as the department deems proper. The department may not  
16 require any deposit as a condition for granting an extension under  
17 this subsection (4)(b).

18 (5)(a) The department must keep full and accurate records of all  
19 funds received and disbursed by it. Subject to the provisions of RCW  
20 82.32.105, 82.32.052, section 2 of this act, and 82.32.350, the  
21 department must apply the payment of the taxpayer in the following  
22 order, without regard to any direction of the taxpayer: (i) Interest;  
23 (ii) penalties; (iii) fees that are not within the definition of tax  
24 in RCW 82.32.020; (iv) other nontax amounts; (v) taxes, except  
25 spirits taxes; and (vi) spirits taxes.

26 (b) For purposes of this subsection, "spirits taxes" has the same  
27 meaning as in RCW 82.08.155.

28 (6) The department may refuse to accept any return that is not  
29 accompanied by a remittance of the tax shown to be due thereon or  
30 that is not filed electronically as required in this section. When  
31 such return is not accepted, the taxpayer is deemed to have failed or  
32 refused to file a return and is subject to the procedures provided in  
33 RCW 82.32.100 and to the penalties provided in RCW 82.32.090. The  
34 above authority to refuse to accept a return may not apply when a  
35 return is timely filed electronically and a timely payment has been  
36 made by electronic funds transfer or other form of electronic payment  
37 as authorized by the department.

38 (7) Except for returns and remittances required to be transmitted  
39 to the department electronically under this section and except as  
40 otherwise provided in this chapter, a return or remittance that is

1 transmitted to the department by United States mail is deemed filed  
2 or received on the date shown by the post office cancellation mark  
3 stamped upon the envelope containing it. A return or remittance that  
4 is transmitted to the department electronically is deemed filed or  
5 received according to procedures set forth by the department.

6 (8) (a) For purposes of subsections (2) and (3) of this section,  
7 "good cause" means the inability of a taxpayer to comply with the  
8 requirements of subsection (2) or (3) of this section because:

9 (i) The taxpayer does not have the equipment or software  
10 necessary to enable the taxpayer to comply with subsection (2) or (3)  
11 of this section;

12 (ii) The equipment or software necessary to enable the taxpayer  
13 to comply with subsection (2) or (3) of this section is not  
14 functioning properly;

15 (iii) The taxpayer does not have access to the internet using the  
16 taxpayer's own equipment;

17 (iv) The taxpayer does not have a bank account or a credit card;

18 (v) The taxpayer's bank is unable to send or receive electronic  
19 funds transfer transactions; or

20 (vi) Some other circumstance or condition exists that, in the  
21 department's judgment, prevents the taxpayer from complying with the  
22 requirements of subsection (2) or (3) of this section.

23 (b) "Good cause" also includes any circumstance that, in the  
24 department's judgment, supports the efficient or effective  
25 administration of the tax laws of this state, including providing  
26 relief from the requirements of subsection (2) or (3) of this section  
27 to any taxpayer that is voluntarily collecting and remitting this  
28 state's sales or use taxes on sales to Washington customers but has  
29 no legal requirement to be registered with the department.

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