



PROPOSED RULE MAKING

CR-102 (June 2004)

(Implements RCW 34.05.320)

Do NOT use for expedited rule making

Agency:

- Preproposal Statement of Inquiry was filed as WSR 06-11-170 ; or
- Expedited Rule Making--Proposed notice was filed as WSR ; or
- Proposal is exempt under RCW 34.05.310(4).

- Original Notice
- Supplemental Notice to WSR
- Continuance of WSR

Title of rule and other identifying information: WAC 458-20-186 Tax on Cigarettes

Hearing location(s):

Capitol Plaza Building
4th Floor Executive Conference Room
1025 Union Avenue SE
Olympia, Washington 98504

Date: Thursday, November 16, 2006 Time: 10:00 a.m.

Date of intended adoption: November 24, 2006
(Note: This is NOT the effective date)

Submit written comments to:

Name: Margaret J. Partlow
Address: Post Office Box 47453
Olympia, Washington
98504-7453
e-mail margaretpa@dor.wa.gov
fax (360) 586-5543
by November 16, 2006

Assistance for persons with disabilities: Contact Sandy Davis at (360) 725-7499 no later than 10 days before the hearing date. Deaf and hard of hearing individuals may call 1-800-451-7985 (TTY users).

Purpose of the proposal and its anticipated effects, including any changes in existing rules: WAC 458-20-186 (Rule 186) provides tax-reporting information to persons who sell, use, consume, handle, possess, or distribute cigarettes. The rule explains who is liable for the tax, how and when the cigarette tax imposed by Chapter 82.24 is to be paid, and the record keeping requirements. It also explains the application process for wholesale and retail cigarette vendor licenses, and the responsibilities of persons making "delivery sales" into this state. It includes references to statutory fees, bonding requirements, and explains the conditions for and process of application for reinstatement of a license following a revocation under the Administrative Procedure Act.

The proposed changes to the rule update existing information, incorporate recent legislative changes, and clarify that the "stamping allowance" for wholesalers is income, not merely a discount on the price of the stamps; accordingly, the stamping allowance is subject to business and occupation tax.

Reasons supporting proposal:

Statutory authority for adoption: RCW 82.32.300, 82.01.060(2), and 82.24.235.

Statute being implemented: Chapter 82.24 RCW

Is rule necessary because of a:

- Federal Law? Yes No
 - Federal Court Decision? Yes No
 - State Court Decision? Yes No
- If yes, CITATION:

Filed: October 4, 2006

Time: 10:41 a.m.

Date

WSR: 06-20-112

Name

Alan R. Lynn

Signature

The above information was input by DOR

Title

Rules Coordinator

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters: None.

Name of proponent: Department of Revenue

Private
 Public
 Governmental

Name of agency personnel responsible for:

Name	Office Location	Phone
Drafting.....Margaret J. Partlow	1025 Union Ave. SE. Ste #544, Olympia ,Wa	(360) 570-6123
Implementation.... Alan R. Lynn	1025 Union Ave. SE. Ste #544, Olympia ,Wa	(360) 570-6125
Enforcement..... Janis P. Bianchi	1025 Union Ave. SE. Ste #544, Olympia ,Wa	(360) 570-6147

Has a small business economic impact statement been prepared under chapter 19.85 RCW?

Yes. Attach copy of small business economic impact statement.

A copy of the statement may be obtained by contacting:

Name:

Address:

phone

fax

e-mail

No. Explain why no statement was prepared. A small business economic impact statement is not required because the rule and the amendments do not impose any requirements or burdens upon small business that are not already required by statute.

Is a cost-benefit analysis required under RCW 34.05.328?

Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

phone

fax

e-mail

No: Please explain: The proposed rule is not a significant legislative rule as defined by RCW 34.05.328.

