



# PREPROPOSAL STATEMENT OF INQUIRY

**CR-101 (June 2004)**  
(Implements RCW 34.05.310)  
Do NOT use for expedited rule making

**Agency:** Department of Revenue

**Subject of possible rule making:**

WAC 458-20-194 (Doing business inside and outside the state).

**Statutes authorizing the agency to adopt rules on this subject:**

RCW 82.32.300 and 82.01.060(2)

**Reasons why rules on this subject may be needed and what they might accomplish:**

The current rule describes methods for apportionment of service providers' income in very general terms. Most of the Department's specific advice on the subject has been by Washington Tax Decision (WTD), and this advice has proved difficult to interpret and apply for taxpayers. An amended rule could provide specific and consistent guidance on the subject of apportionment under RCW 82.04.460(1), creating more predictable and equitable results for taxpayers.

**Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:**

None.

**Process for developing new rule (check all that apply):**

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe) Modified negotiated rule making

**How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:**

Written comments may be submitted by mail, fax, or at the public meeting. Oral comments will be accepted at the public meeting. A preliminary draft of the proposed changes is available upon request. Written comments on and/or requests for copies of the rule may be directed to: Chris Coffman or Nathan Schreiner, Interpretations and Technical Advice Unit, P. O. Box 47453, Olympia, WA 98504-7453; e-mail: ChrisC@dor.wa.gov or NathanS@dor.wa.gov; phone: (360) 570-6150 or (360) 570-6136; FAX (360) 586-5543.

**Public meeting location:**

Capitol Plaza Building  
4th Floor - Exec. Large Conference Room  
1025 Union Avenue SE  
Olympia, Washington

**Date:** April 7, 2005    **Time:** 10:00 a.m.

<b>Date</b>
<b>Name (type or print)</b> Alan R. Lynn
<b>Signature</b>
<b>Title</b> Rules Coordinator

<b>CODE REVISER USE ONLY</b>
<b>Filed: March 2, 2005</b> <b>Time: 11:33 a.m</b> <b>WSR: 05-06-124</b>
<b>The above information was input by DOR.</b>