



PROPOSED RULE MAKING

CR-102 (June 2004)

(Implements RCW 34.05.320)
Do NOT use for expedited rule making

Agency: Department of Revenue

Preproposal Statement of Inquiry was filed as WSR 04-24-100; 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 458-20-216 Successors, quitting business

Hearing location(s):

Capitol Plaza Building
4th Floor – L&P Large Conference Room
1025 Union Avenue SE
Olympia, Washington 98504

Date: May 25, 2005 Time: 9:30am

Date of intended adoption: June 1, 2005
(Note: This is NOT the effective date)

Submit written comments to:

Name: Allan C. Lau
Address: Post Office Box 47453
Olympia, Washington
98504-7453
e-mail AllanL@dor.wa.gov
fax (360) 586-5543
by May 25, 2005

Assistance for persons with disabilities: Contact Sandy Davis no later than 10 days before the hearing date.
TTY 1-800-451-7985 or (360) 725-7499

Purpose of the proposal and its anticipated effects, including any changes in existing rules:

RCW 82.32.140 requires a taxpayer to remit any outstanding tax liability to the Department of Revenue within ten days of quitting business. If this tax is not paid by the taxpayer, any successor to the taxpayer becomes liable for the outstanding tax. This rule explains under what circumstances a person is considered a successor to a person quitting business. It explains the successor's responsibility for payment of an outstanding tax liability incurred owed by the person taxpayer quitting business, whether that liability is known at the time of purchase or not. This rule also provides examples illustrating when successorship does or does not apply.

The Department is proposing a revision to this rule to incorporate provisions of chapter 13, Laws of 2003 1st sp. sess. These provisions changed revised RCW 82.04.180 and 82.32.140 to change the conditions under which a person becomes a successor. They also provide that if the fair market value of assets acquired by a successor is less than \$50,000, the successor's liability for payment of the taxpayer's unpaid tax is limited to the fair market value of the acquired assets.

Reasons supporting proposal: To update the rule to reflect legislative changes.

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

Statute being implemented: To the extent the following apply to successorship -- RCW 82.32.140, RCW 82.04.180, and RCW 82.32.330.

Is rule necessary because of a:

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

CODE REVISER USE ONLY

Filed: April 13, 2005

Time: 9:27 a.m.

WSR: 05-09-032

The above information was input by DOR.

Date

Name

Alan R. Lynn

Signature

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.....	Allan C. Lau	1025 Union Ave. SE. Ste #544, Olympia ,Wa	(360) 570-6134
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.

The rule does not impose any new performance requirement or administrative burden on any small business not 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.