



RULE-MAKING ORDER

CR-103P (May 2009)
(Implements RCW 34.05.360)

Agency: Department of Revenue

Permanent Rule Only

Effective date of rule:

Permanent Rules

31 days after filing.

Other (specify) _____ (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

Yes No If Yes, explain:

Purpose: WAC 458-20-21701 (Enhanced collection tools) is a new rule explaining procedures for electronic notice and order to withhold and deliver service (E-Withhold) and mitigation options for financial institutions required to respond to service by the department of revenue.

Citation of existing rules affected by this order:

Repealed:

Amended:

Suspended:

Statutory authority for adoption: RCW 82.01.060 and 82.32.235

Other authority :

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 10-01-170 on December 22, 2009.

Describe any changes other than editing from proposed to adopted version: **See attachment.**

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting: **An analysis was not completed.**

Date adopted: March 10, 2010

NAME (TYPE OR PRINT)

Alan R. Lynn

SIGNATURE

TITLE

Rules Coordinator

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: March 10, 2010

TIME: 2:10 PM

WSR 10-07-035

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.

The number of sections adopted in order to comply with:

Federal statute:	New	_____	Amended	_____	Repealed	_____
Federal rules or standards:	New	_____	Amended	_____	Repealed	_____
Recently enacted state statutes:	New	_____	Amended	<u>1</u>	Repealed	_____

The number of sections adopted at the request of a nongovernmental entity:

New	_____	Amended	_____	Repealed	_____
-----	-------	---------	-------	----------	-------

The number of sections adopted in the agency's own initiative:

New	_____	Amended	<u>1</u>	Repealed	_____
-----	-------	---------	----------	----------	-------

The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	_____	Amended	_____	Repealed	_____
-----	-------	---------	-------	----------	-------

The number of sections adopted using:

Negotiated rule making:	New	_____	Amended	_____	Repealed	_____
Pilot rule making:	New	_____	Amended	_____	Repealed	_____
Other alternative rule making:	New	_____	Amended	_____	Repealed	_____



STATE OF WASHINGTON
DEPARTMENT OF REVENUE

Attachment
WAC 458-20-21701 (Enhanced collection tools)
CR103 Rule Adoption Notice

Describe any changes other than editing from proposed to adopted version:

The Department clarified subsection (6) to clarify that a financial institution must respond to the Department's notice by the 31st day after service of the Department's notice. The change is as follows. Language removed from the proposed rule as published indicated by strikethrough and added language underlined.

(6) When are funds withheld and due to the department? ~~Official service of the notice and order to withhold and deliver occurs at the time the E-Withhold list is placed into the designated SFT folder. The SFT service records a date and time stamp for actions occurring on it. Financial institutions have thirty days after date of service to remit (deliver) any proceeds from the E-Withhold to the department.~~

~~Financial institutions access the E-Withhold list from the SFT folder and use the data to identify if they have any accounts or assets of the listed entities and debtors. The financial institution must provide a response within ten days of original service with the results of its efforts to identify accounts or assets so that the department can verify/validate the accounts or assets are correctly subject to the E-Withhold. After completing the review/validation process, the department will notify the financial institution via e-mail that it has placed a revised E-Withhold list in the designated SFT folder with instructions to withhold (or not). If the financial institution is instructed to withhold a taxpayer's assets, the department will immediately so notify the taxpayer by U.S. mail.~~

~~When the department responds with instructions to withhold on located accounts/assets, the financial institution completes their processes to withhold and deliver any available funds.~~

~~Any verification steps or procedural expectations that may challenge a financial institution ability to comply can be addressed through mitigation as outlined in section (7).~~

~~Instructions for the contents of safe deposit boxes are at dor.wa.gov/E-Withhold. Funds withheld through E-Withhold must be remitted by the thirty-first day after official service. For example, if official service occurs on May 15th, the financial institution must remit the withheld funds by June 15th. Official service occurs when the E-Withhold list is placed into the financial institution's designated SFT folder. The SFT Service records a date and time stamp for actions occurring on it.~~

The department has established response steps and dates between official service and final remittance in order to verify/validate potential withholding. These response steps and dates are provided in the E-Withhold Procedures document at dor.wa.gov/E-Withhold. Instructions for the contents of safe deposit boxes are also included in the procedures document at dor.wa.gov/E-Withhold.