EXPEDITED RULE MAKING

CR-105 (June 2004)
(Implements RCW 34.05.353)
EXPEDITED RULE MAKING ONLY

Agency: Department of Revenue

Title of rule and other identifying information: WAC 458-20-228 Returns, payments, penalties, extensions, interest, stay of collection.

This rule discusses the responsibility of taxpayers to timely pay their tax liabilities, and the acceptable methods of payment. The rule explains the statutory due dates for persons remitting excise tax returns, and the interest and penalties imposed by law when a taxpayer fails to timely pay the correct amount of tax, as well as other penalties which may be applied. The rule provides examples of circumstances that qualify for a waiver of interest or penalties, and explains how a taxpayer may request a waiver of the same.

NOTICE

THIS RULE IS BEING PROPOSED UNDER AN EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL BUSINESS ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO THIS USE OF THE EXPEDITED RULE-MAKING PROCESS, YOU MUST EXPRESS YOUR OBJECTIONS IN WRITING AND THEY MUST BE SENT TO

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AND RECEIVED BY February 19, 2007

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

Reasons supporting proposal: See attachment.

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

Statute being implemented: Various statutes in chapters 82.08 and 82.32 RCW that impose interest, penalties, and due dates for taxes administered by the Department of Revenue.

Is rule necessary because of a:

Federal Law?	☐ Yes	X No
Federal Court Decision?	☐ Yes	X No
State Court Decision?	☐ Yes	X No

If yes, CITATION:

Date

Name (Type or print)
Alan R. Lynn

Signature

Title
Rules Coordinator

Filed: December 20, 2006

Time: 11:20 a.m.

WSR: 07-01-119

The above information was input by DOR

Name of proponent: (person or organization) Department of Revenue

☐ Private
☐ Public
X Governmental

Name of agency personnel responsible for:

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

ATTACHMENT FOR CR-105 FILING

WAC 458-20-228 Returns, payments, penalties, extensions, interest, stay of collection.

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

The Department is proposing to amend this rule to recognize provisions of chapter 256, Laws of 2006 (HB 2671). This legislation extended the due date for persons filing excise tax returns on a monthly basis and modified the penalty provisions of RCW 82.32.090(2).

The proposed rule recognizes that the due date for persons filing excise tax returns on a monthly basis was extended to 25 days after the end of the month in which taxable activities occur. The due date previously was 20 days.

RCW 82.32.090(2) previously imposed a 5% penalty "whenever the Department determined that any additional tax was due," with a total penalty of 15% being due if payment was not received by the assessment due date, and further a total penalty of 25% due if payment was not received by the 30th day following the assessment due date. The proposed rule recognizes that this legislation provides that the initial 5% penalty applies only if any tax has been "substantially underpaid," the statutory definition of which is incorporated into the proposed rule. This legislation made no change to the imposition of the 15% and 25% penalties prescribed by RCW 82.32.090(2).

Additionally, the rule explains that RCW 82.32.105(2) provides a limited penalty waiver for a taxpayer that has timely filed and paid all tax returns due for a specific tax program for a period of 24 months immediately preceding the return for which the waiver is being requested. The rule currently explains that if a taxpayer has engaged in business activities for a period less than twenty-four months, the taxpayer may still be eligible for the waiver. The proposed rule clarifies that even the first tax return is potentially eligible for the waiver.

Reasons supporting proposal: To recognize chapter 256, Laws of 2006.