

BEFORE THE INTERPRETATION AND APPEALS DIVISION
DEPARTMENT OF REVENUE
STATE OF WASHINGTON

In The Matter of the Petition) D E T E R M I N A T I O N
For Correction of Assessment)
of)
) No. 89-242
)
) Registration No. . . .
) . . . /Audit No. . . .
)
)

RCW 82.32.050: INTEREST -- ASSESSMENT. Interest runs from the last day of the year in which the tax was due until the date paid. The fact that the tax was paid before the assessment was issued does not extinguish the obligation to pay the interest.

Headnotes are provided as a convenience for the reader and are not in any way a part of the decision or in any way to be used in construing or interpreting this Determination.

NATURE OF ACTION:

Taxpayer protests the assessment of interest on an assessment.

FACTS AND ISSUES:

Hesselholt, A.L.J. -- Taxpayer's records were audited for the period January 1, 1985 through June 30, 1987. As a result of the audit, taxpayer was found to owe tax and interest on repairs made to his boat in 1985, and additional retail sales tax, and interest, on the sale of his boat in 1986. Taxpayer paid the additional retail sales tax due on the boat on January 27, 1989. The assessment was issued on February 23, 1989, with a due date of March 24, 1989. Taxpayer objects to the assessment of \$. . . in interest on the retail sales tax because the tax was paid before the due date of the assessment.

DISCUSSION:

Interest is imposed by RCW 82.32.050. It provides that

If upon examination of any returns or from other information obtained by the department it appears that a tax or penalty has been paid less than that properly due, the department shall assess against the taxpayer such additional amount found to be due and as to assessments . . . shall add thereto interest at the rate of nine percent per annum from the last day of the year in which the deficiency is incurred until date of payment. . . .

Interest is imposed from the date the tax was due until the date paid. In this case, interest was imposed from December 31, 1986 until January 27, 1989. Simply because taxpayer paid the tax before the assessment was issued does not alter the fact that the interest was actually due.

DECISION AND DISPOSITION:

Taxpayer's petition is denied.

DATED this 27th day of April 1989.