



# Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

FEB. 1, 2016

## Late Payment Penalty rates increase

Penalty rates for overdue taxes increased Aug. 1, 2015. (Engrossed Substitute Senate Bill 6138).

<b>When do late payment penalty rates apply?</b> <i>(Due date is the next business day if it falls on a weekend or holiday.)</i>	<b>What is the late payment penalty rate?</b> <i>(The minimum penalty is \$5.)</i>
One day after the due date, to the last day of the next month.	<b>9%</b> (previously 5%)
First day of the second month following the due date, to the last day of that month.	<b>19%</b> (previously 15%)
First day of the third month and thereafter.	<b>29%</b> (previously 25%)

*Example 1:* Your June 2015 return payment is late.

- If your payment is received before Aug. 1, 2015, you are charged a 5 percent late payment penalty.
- If your payment is received on or after Aug. 1, 2015, but before Sept. 1, 2015, you are charged a 9 percent late payment penalty.
- If your payment is received from Sept. 1st through Sept. 30th, 2015, you are charged a 19 percent late payment penalty.

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- If your payment is received after Sept. 30th, 2015, you are charged a 29 percent late payment penalty.

*Example 2:* Your annual 2014 return payment is late.

- If your payment is received from April 1st through July 30th, 2015, you are charged a 25 percent late payment penalty.
- If your payment is received on or after Aug. 1, 2015, you will be charged a 29 percent late payment penalty.

*Example 3:* A quarterly filer receives a tax assessment for 2014 and 2015. Assuming the additional tax assessed is paid by the assessment due date, penalties on the additional tax assessed will be based on when payment was received for tax due on the original returns.

- Payments for the tax shown on the original Quarter 1, 2, and 3 (2014) returns were on time. This means there is no late payment penalty on any additional tax assessed for these periods.
- Payment for Quarter 4 (2014) is received on July 15, 2015. This means there is a 25 percent late payment penalty on any additional taxes assessed for this period.
- Payment for Quarter 1 (2015) is received on Aug. 15, 2015. This means there is a 29 percent late payment penalty on any additional taxes assessed for this period.
- Payment for Quarter 2 (2015) is received on Aug. 15, 2015. This means there is a 9 percent late payment penalty on any additional taxes assessed for this period.
- Payments for the tax shown on the original Quarter 3 (2015) and Quarter 4 (2015) returns were on time. This means there is no late payment penalty on any additional tax assessed for these periods.