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Mount Vernon auto business to pay \$240,000 to state for tax theft

OLYMPIA – July 11, 2017 – A Mount Vernon auto dealer was ordered to pay the state \$240,000 after the business’ president pled guilty to stealing retail sales tax intended for public services.

Khaled E. Saad, president of American Auto & Body, LLC of Mount Vernon, entered a guilty plea on behalf of the corporation to first-degree theft June 23, 2017 in Skagit County Superior Court. Saad had been accused of collecting retail sales tax and not turning it over to the state.

The court ordered the corporation to pay \$240,000 to the Washington State Department of Revenue (Revenue), and \$500 for a victim penalty assessment. Revenue has received that money from the corporation.

The \$240,000 judgment included assessed sales taxes the corporation did not remit, and penalties and interest.

Based on a referral from the state Attorney General’s office, auditors for the Washington State Department of Revenue (Revenue) reviewed American Auto & Body’s records spanning March 1, 2013 through Dec. 31, 2015. During that timeframe, records show Saad was vastly underreporting his corporation’s income and had not remitted to the state at least \$145,512 in retail sales tax.

Collecting but not remitting retail sales tax is considered theft under Washington state law. Businesses engaged in the sales of retail goods and personal property in Washington are required to collect state sales tax from customers and hold it in trust until it is returned to the state.

Retail sales tax is the largest source of state revenues, supporting vital services that benefit Washington’s residents and the economy.

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About Revenue

The Department of Revenue is Washington state’s primary tax administration agency, nationally recognized for innovation and service quality. Revenue collected \$22.4 billion in tax revenues in Fiscal Year 2016. These funds support education, social services, health care, corrections, public safety, natural resources conservation and other public services.