



PREPROPOSAL STATEMENT OF INQUIRY

**CR-101 (October 2017)
(Implements RCW 34.05.310)**

Do **NOT** use for expedited rule making

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STATE OF WASHINGTON
FILED

DATE: May 22, 2019

TIME: 7:14 AM

WSR 19-11-114

Agency: Department of Revenue

Subject of possible rule making: WAC 458-20-17802 – Collection of use tax by county auditors and department of licensing – Measure of tax.

Statutes authorizing the agency to adopt rules on this subject: RCW 82.32.300 and 82.01.060(2).

Reasons why rules on this subject may be needed and what they might accomplish: WAC 458-20-17802 provides a framework for county auditors and the department of licensing to determine and collect use tax imposed by chapter 82.12 RCW when a person applies to transfer the certificate of title of a vehicle acquired without the payment of retail sales tax. As part of the process, an automated valuing system is used to verify the purchase price of the vehicle represents the true value.

A presumption is made in the rule that the purchase price represents the true value of the vehicle if one of the following conditions is met:

- (a) the vehicle's average retail value (as determined by the automated valuing system) is less than \$5,000, or
- (b) the vehicle's purchase price is not more than \$2,000 below than the vehicle's average retail value (as determined by the automated valuing system).

The Department proposes to update WAC 458-20-17802 to adjust the conditions discussed above. Specifically, for condition (a), the Department proposes increasing the threshold from \$5,000 to \$7,500. Therefore, if the vehicle's average retail value (as determined by the automated valuing system) is less than \$7,500, the purchase price will be used as the measure of the use tax. For condition (b), the Department requests stakeholder input as to whether the threshold should be adjusted.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: N/A

Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe) Parties interested in this rulemaking may contact the individual listed below. The public may also participate by providing written comments throughout this rulemaking process or giving oral testimony at the public meeting and/or public hearing

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:

Name: Brenton Madison
Address: P.O. Box 47453, Olympia, WA 98504-7453
Phone: 360-534-1583
Fax: 360-534-1606
TTY: 800-833-6384
Email: brentonm@dor.wa.gov
Web site: dor.wa.gov
Other: n/a

(If necessary)

Name:
Address:
Phone:
Fax:
TTY:
Email:
Web site:
Other:

Additional comments: Written comments may be submitted by mail or email and should be directed to Brenton Madison using one of the contact methods above. Written and oral comments will be accepted at the Public Meeting.

Date: June 20, 2019

Time: 10:00 A.M.

Public Meeting Location:

Conference Room 252
6400 Linderson Way SW
Tumwater, Washington 98501

Date: May 22, 2019

Name: Kevin Dixon

Title: Program Manager

Signature:

A handwritten signature in black ink, appearing to read 'K. Dixon', written over a horizontal line.