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Lynnwood car dealer sentenced for tax fraud case

OLYMPIA – Oct. 15, 2015 – The owner of The Car Store, Inc. in Lynnwood was sentenced yesterday for stealing thousands of dollars in retail sales tax he collected but did not report to the state.

William D. Powell appeared before Snohomish County Superior Court Judge George N. Bowden, who ordered Powell to serve 90 days of work release and make \$41,507 in restitution payments. The Attorney General’s Office handled the case on behalf of the state.

The tax fraud came to light during a routine Washington State Department of Revenue (Revenue) audit. While reviewing Powell’s books for The Car Store, the Revenue auditor discovered evidence that Powell had purposely miscoded 118 transactions as wholesale or out-of-state sales when they actually were in-state transactions subject to local and state retail sales tax. Powell collected the sales tax but did not send all the taxes to Revenue.

“Businesses expect Revenue to create a level playing field when it comes to taxes,” said Revenue Director Vikki Smith. “Criminal prosecutions are a last resort when one business simply doesn’t see itself as subject to the same rules.”

Retail sales tax is the largest source of state revenues, supporting vital services that benefit Washington’s residents and the economy. Businesses that collect retail sales tax do so “in trust” for the state and must remit those taxes to Revenue. Failure to remit the taxes constitutes theft.

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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 more than \$19.6 billion in tax revenues in fiscal year 2014. These funds go to support public schools, social services, health care, corrections, public safety and natural resources conservation.