

SENATE BILL REPORT

EHB 2680

AS REPORTED BY COMMITTEE ON WAYS & MEANS, FEBRUARY 24, 1992

Brief Description: Modifying provisions for the assessment and collection of taxes.

SPONSORS: Representatives J. Kohl, Brumsickle and Fraser; by request of Department of Revenue

HOUSE COMMITTEE ON REVENUE

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Bailey, Bauer, Bluechel, Cantu, Gaspard, Hayner, M. Kreidler, Metcalf, Murray, Newhouse, Niemi, Owen, Saling, L. Smith, Talmadge, Williams, and Wojahn.

Staff: Terry Wilson (786-7715)

Hearing Dates: February 20, 1992; February 24, 1992

BACKGROUND:

The retail sales tax is generally remitted by the seller of the taxed good or service to the Department of Revenue (DOR) by the 25th of each month following the tax period in which the purchase was made. In cases where a buyer has failed to pay sales tax to the seller, DOR may proceed directly against the buyer for collection of the tax, and may assess penalties and interest against the buyer from the time the tax is due. In this case, the statutory due date is set at the 15th day of the month instead of the 25th.

Taxpayers may appeal to the Thurston County Superior Court for refunds of excise taxes they have paid that they believe to be excessive. Within 10 days of filing the appeal, the taxpayer must file a \$200 bond with the superior court. The intent of the bond requirement is to cover court costs if the appeal is not sustained.

Emergency lodging provided to homeless persons by eligible organizations is exempt from local option hotel/motel taxes. The statute states that the taxes do not apply to lodging provided for a period of 30 days.

The state leasehold excise tax is imposed on the lease of public property for private purposes. The tax is collected by public entities that lease the property to private parties. Currently, the tax must be remitted to DOR by the 15th of each month following the period in which the tax is collected.

SUMMARY:

Various statutes are repealed or amended to correct statutory references. The statute extending the hotel/motel tax exemption to homeless organizations is changed to clarify that the taxes do not apply to lodging provided for a period of less than 30 days. The requirement that taxpayers file a \$200 bond is removed.

The statutory due date for remittance of retail sales tax collections due from the buyer is changed from the 15th to the 25th of the month following the tax collection period. The date for remittance of the state leasehold excise tax is changed from the 15th of the month to the last day of the month following the tax collection period.

Appropriation: none

Revenue: none

Fiscal Note: available

Effective Date: July 1, 1992

SUMMARY OF PROPOSED SENATE AMENDMENT:

The emergency lodging exemption applies to all local hotel/motel taxes.

TESTIMONY FOR: None

TESTIMONY AGAINST: None

TESTIFIED: No one