

SENATE BILL REPORT

SB 5496

As Passed Senate, March 4, 1999

Title: An act relating to electronic filing of tax returns and remittances.

Brief Description: Authorizing the department of revenue to receive electronically filed taxpayer returns and remittances.

Sponsors: Senators Brown, Finkbeiner, West, Winsley and Oke; by request of Department of Revenue.

Brief History:

Committee Activity: Energy, Technology & Telecommunications: 2/2/99, 2/11/99 [DP]. Passed Senate, 3/4/99, 42-0.

SENATE COMMITTEE ON ENERGY, TECHNOLOGY & TELECOMMUNICATIONS

Majority Report: Do pass.

Signed by Senators Brown, Chair; Fairley, Fraser, Hochstatter, Roach and Rossi.

Staff: Karen Kirkpatrick (786-7403)

Background: The Department of Revenue (DOR) collects the state's major excise taxes, such as the retail sales and the business and occupation tax. The taxes collected by DOR are reported on the combined excise tax return. Taxpayers who report on the combined excise tax form with annual tax liability of \$240,000 or more are required to pay taxes through an Electronic Funds Transfer (EFT) process. An EFT allows funds to be received almost instantaneously by the department.

The law is unclear whether DOR has the authority to accept remittances from other taxpayers who voluntarily choose to remit electronically or to accept returns from any taxpayer who wishes to transfer this information electronically.

Summary of Bill: The Department of Revenue is authorized to allow electronic filing of returns or remittances from any taxpayer. The return or remittance is considered filed as provided by rule of the department.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Washington is the first state in the nation to make this technology available to taxpayers in an effort to create a more taxpayer friendly system for filing returns and tax payments. The system was developed in cooperation with taxpayer focus groups, and has

been operating on a test basis since late 1998 with a few businesses. Revenue anticipates as many as 5,000 businesses will choose to conduct their taxpaying activities via this on-line system in 1999 because it will save businesses time, effort, money, and reduce the risk of errors.

Testimony Against: None.

Testified: PRO: Ralph Osgood, Tim Sekerak, Department of Revenue; Tom Dooley, AWB.