

# HOUSE BILL REPORT

## SB 6206

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### As Reported by House Committee On: Finance

**Title:** An act relating to authorizing extensions of the due dates for filing tax incentive accountability reports and surveys with the department of revenue.

**Brief Description:** Authorizing extensions of the due dates for filing tax incentive accountability reports and surveys with the department of revenue.

**Sponsors:** Senators Haugen and Kilmer.

#### **Brief History:**

##### **Committee Activity:**

Finance: 2/24/10, 3/1/10 [DPA].

#### **Brief Summary of Bill (As Amended by House)**

- Grants taxpayers of certain tax incentives a 90-day extension for filing annual accountability reports and surveys.

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### HOUSE COMMITTEE ON FINANCE

**Majority Report:** Do pass as amended. Signed by 9 members: Representatives Hunter, Chair; Hasegawa, Vice Chair; Orcutt, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Condotta, Conway, Ericks, Santos and Springer.

**Staff:** Susan Howson (786-7142).

#### **Background:**

Businesses claiming certain tax incentives must provide data on annual accountability reports or surveys filed with the Department of Revenue. In general, accountability reports and surveys require information about employment and economic activities related to the tax incentives.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

If a taxpayer fails to file a required report or survey by the due date, the business cannot claim the benefit and may have to repay any deferred taxes. The penalty for failure to file varies by tax program. Under current law, the only grounds to extend the filing due date or to waive or cancel penalties for failure to file a required report or survey is circumstances beyond the control of the taxpayer. Circumstances beyond the control of the taxpayer does not include misunderstandings or mistakes; rather, it relates to circumstances such as the death of the taxpayer, fire or other casualty, or fraud or other employee crime for which a police report was obtained.

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**Summary of Amended Bill:**

A 90-day extension of the filing date is allowed for annual accountability reports or surveys for taxpayers who: (1) make a request for a filing extension in writing; and (2) have filed all earlier annual reports and surveys in a timely manner. No taxpayer may be granted more than one 90-day extension.

This extension applies to surveys and reports due in calendar year 2011 and thereafter.

**Amended Bill Compared to Original Bill:**

A technical change is made to conform the bill with the passage of Substitute House Bill 3066, which established uniformity in the annual surveys and reports.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Amended Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) This bill simplifies the tax process for reporting. It eliminates a "gotcha" in our state government program. It is a good efficiency measure and sends the right message to taxpayers.

(Opposed) None.

**Persons Testifying:** Amber Carter, Association of Washington Business.

**Persons Signed In To Testify But Not Testifying:** None.