

**SENATE BILL REPORT**

**SB 5217**

**AS OF FEBRUARY 6, 1991**

**Brief Description:** Changing notice and withhold requirements when industrial insurance taxes are in arrears.

**SPONSORS:** Senators Anderson, McMullen and A. Smith; by request of Department of Labor & Industries.

**SENATE COMMITTEE ON COMMERCE & LABOR**

**Staff:** Jonathan Seib (786-7427)

**Hearing Dates:** February 12, 1991

**BACKGROUND:**

Current law sets forth the circumstances under which a successor business owner will be liable for the industrial insurance taxes owed by the person from whom the business is acquired. It provides that a successor will not be liable for any taxes owed if that successor gives written notice of the acquisition to the Department of Labor and Industries, and no assessment against the former operator of the business is issued within 60 days of receipt of that notice.

Current law also sets forth the process whereby the department may order the withholding and delivery of the property of an employer upon whom a notice of assessment has been served for payments due the state fund. It provides that such an order be served by the county sheriff or a representative of the director.

**SUMMARY:**

A successor will not be liable for taxes owed by a former operator if that successor gives written notice of the acquisition to the Department of Labor and Industries, and no assessment against the former operator is issued within 180 days of the receipt of that notice.

An order to withhold and deliver property of an employer against whom an assessment has been served for payments due the state fund may also be served by certified mail, accompanied by an affidavit of service by mailing.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available