
ENGROSSED SUBSTITUTE HOUSE BILL 1327

State of Washington

55th Legislature

1997 Regular Session

By House Committee on Finance (originally sponsored by Representatives Huff, Carrell, Quall, Mulliken, Morris, Linville, Ogden, Dunshee, B. Thomas, Johnson, Conway, Sheldon, Grant, Mastin, D. Schmidt, Robertson, Kessler, Skinner, Boldt, Lisk, Mielke, Dickerson, L. Thomas, O'Brien, Hatfield, Kenney, Gardner, Cooke, Costa, Ballasiotes, Thompson, Koster, Lantz, Mason, Schoesler, Dunn, Alexander and Anderson)

Read first time 03/10/97.

1 AN ACT Relating to reimbursing sellers for sales tax collection
2 costs; amending RCW 82.08.050; adding a new section to chapter 82.04
3 RCW; and providing an effective date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 82.08.050 and 1993 sp.s. c 25 s 704 are each amended
6 to read as follows:

7 (1)(a) The tax hereby imposed shall be paid by the buyer to the
8 seller, and each seller shall collect from the buyer the full amount of
9 the tax payable in respect to each taxable sale in accordance with the
10 schedule of collections adopted by the department pursuant to the
11 provisions of RCW 82.08.060. The tax required by this chapter, to be
12 collected by the seller, minus the amount retained by the seller for
13 administration as provided in subsection (2) of this section, shall be
14 deemed to be held in trust by the seller until paid to the department,
15 and any seller who appropriates or converts the tax collected to his or
16 her own use or to any use other than the payment of the tax to the
17 extent that the money required to be collected is not available for
18 payment on the due date as prescribed in this chapter shall be guilty
19 of a gross misdemeanor.

1 **(b)** In case any seller fails to collect the tax herein imposed or
2 having collected the tax, fails to pay ~~((it))~~ the amount owed to the
3 department in the manner prescribed by this chapter, whether such
4 failure is the result of his or her own acts or the result of acts or
5 conditions beyond his or her control, he or she shall, nevertheless, be
6 personally liable to the state for the amount of the tax owed, unless
7 the seller has taken from the buyer in good faith a properly executed
8 resale certificate under RCW 82.04.470.

9 **(c)** The amount of tax, until paid by the buyer to the seller or to
10 the department, shall constitute a debt from the buyer to the seller
11 and any seller who fails or refuses to collect the tax as required with
12 intent to violate the provisions of this chapter or to gain some
13 advantage or benefit, either direct or indirect, and any buyer who
14 refuses to pay any tax due under this chapter shall be guilty of a
15 misdemeanor. The tax required by this chapter to be collected by the
16 seller shall be stated separately from the selling price in any sales
17 invoice or other instrument of sale. On all retail sales through
18 vending machines, the tax need not be stated separately from the
19 selling price or collected separately from the buyer. For purposes of
20 determining the tax due from the buyer to the seller and from the
21 seller to the department it shall be conclusively presumed that the
22 selling price quoted in any price list, sales document, contract or
23 other agreement between the parties does not include the tax imposed by
24 this chapter, but if the seller advertises the price as including the
25 tax or that the seller is paying the tax, the advertised price shall
26 not be considered the selling price.

27 **(d)** Where a buyer has failed to pay to the seller the tax imposed
28 by this chapter and the seller has not paid the amount of the tax owed
29 to the department, the department may, in its discretion, proceed
30 directly against the buyer for collection of the tax, in which case a
31 penalty of ten percent may be added to the amount of the tax for
32 failure of the buyer to pay the same to the seller, regardless of when
33 the tax may be collected by the department; and all of the provisions
34 of chapter 82.32 RCW, including those relative to interest and
35 penalties, shall apply in addition; and, for the sole purpose of
36 applying the various provisions of chapter 82.32 RCW, the twenty-fifth
37 day of the month following the tax period in which the purchase was
38 made shall be considered as the due date of the tax.

1 (2) Each seller shall retain, as reimbursement for the costs
2 associated with collection and administration under this section, the
3 following amounts each reporting period:

4 (a) 1.05 percent of the tax collected under this section on the
5 first forty thousand dollars of reimbursable sales per month in the
6 reporting period; and

7 (b) 0.50 percent of the tax collected under this section on
8 reimbursable sales greater than forty thousand dollars but less than
9 seven hundred thousand per month in the reporting period.

10 (3) No reimbursement is allowed under this section for taxable
11 sales of seven hundred thousand dollars or more per month in the
12 reporting period.

13 (4) As used in this section "reimbursable sale" means any sale
14 subject to tax under RCW 82.08.020, other than sales defined in RCW
15 82.04.050(2)(b).

16 NEW SECTION. Sec. 2. A new section is added to chapter 82.04 RCW
17 to read as follows:

18 This chapter does not apply to amounts retained by a seller for
19 administration under RCW 82.08.050(2).

20 NEW SECTION. Sec. 3. This act takes effect October 1, 1997.

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