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HOUSE BILL 1514

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State of Washington

55th Legislature

1997 Regular Session

By Representatives Conway, McMorris and Schoesler; by request of Joint Task Force on Nonpayment of Employer Obligations

Read first time 01/29/97. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to keeping records of unified business identifier  
2 account numbers; and amending RCW 39.06.010, 50.12.070, 51.16.070, and  
3 82.32.070.

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

5 **Sec. 1.** RCW 39.06.010 and 1984 c 7 s 43 are each amended to read  
6 as follows:

7 No agency of the state or any of its political subdivisions may  
8 execute a contract:

9 (1) With any contractor who is not registered or licensed as may be  
10 required by the laws of this state other than contractors on highway  
11 projects who have been prequalified as required by RCW 47.28.070, with  
12 the department of transportation to perform highway construction,  
13 reconstruction, or maintenance; or

14 (2) For two years from the date that a violation is finally  
15 determined, with any person or entity who has been determined by the  
16 respective administering agency to have violated RCW 50.12.070(1)(b),  
17 51.16.070(1)(b), or 82.32.070(1)(b). During this two-year period, the  
18 person or entity may not be permitted to bid, or have a bid considered,  
19 on any public works contract.

1       **Sec. 2.** RCW 50.12.070 and 1983 1st ex.s. c 23 s 8 are each amended  
2 to read as follows:

3       (1)(a) Each employing unit shall keep true and accurate work  
4 records, containing such information as the commissioner may prescribe.  
5 Such records shall be open to inspection and be subject to being copied  
6 by the commissioner or his or her authorized representatives at any  
7 reasonable time and as often as may be necessary. The commissioner may  
8 require from any employing unit any sworn or unsworn reports with  
9 respect to persons employed by it, which he or she deems necessary for  
10 the effective administration of this title.

11       (b) An employer who contracts with another person or entity for  
12 work subject to chapter 18.27 or 19.28 RCW shall obtain and preserve a  
13 record of the unified business identifier account number for the person  
14 or entity performing the work. Failure to obtain or maintain the  
15 record is subject to RCW 39.06.010 and to a penalty determined by the  
16 commissioner, but not to exceed two hundred fifty dollars, to be  
17 collected as provided in RCW 50.24.120.

18       (2)(a) Each employer shall make periodic reports at such intervals  
19 as the commissioner may by regulation prescribe, setting forth the  
20 remuneration paid for employment to workers in its employ, the names of  
21 all such workers, and until April 1, 1978, the number of weeks for  
22 which the worker earned the "qualifying weekly wage", and beginning  
23 July 1, 1977, the hours worked by each worker and such other  
24 information as the commissioner may by regulation prescribe.

25       ~~((In the event))~~ (b) If the employing unit fails or has failed to  
26 report the number of hours in a reporting period for which a worker  
27 worked, such number will be computed by the commissioner and given the  
28 same force and effect as if it had been reported by the employing unit.  
29 In computing the number of such hours worked the total wages for the  
30 reporting period, as reported by the employing unit, shall be divided  
31 by the dollar amount of the state's minimum wage in effect for such  
32 reporting period and the quotient, disregarding any remainder, shall be  
33 credited to the worker: PROVIDED, That although the computation so  
34 made will not be subject to appeal by the employing unit, monetary  
35 entitlement may be redetermined upon request if the department is  
36 provided with credible evidence of the actual hours worked.

37       **Sec. 3.** RCW 51.16.070 and 1961 c 23 s 51.16.070 are each amended  
38 to read as follows:

1       (1)(a) Every employer shall keep at his place of business a record  
2 of his employment from which the information needed by the department  
3 may be obtained and such record shall at all times be open to the  
4 inspection of the director, supervisor of industrial insurance, or the  
5 traveling auditors, agents, or assistants of the department, as  
6 provided in RCW 51.48.040.

7       (b) An employer who contracts with another person or entity for  
8 work subject to chapter 18.27 or 19.28 RCW shall obtain and preserve a  
9 record of the unified business identifier account number for the person  
10 or entity performing the work. Failure to obtain or maintain the  
11 record is subject to RCW 39.06.010 and to a penalty under RCW  
12 51.48.030.

13       (2) Information obtained from employing unit records under the  
14 provisions of this title shall be deemed confidential and shall not be  
15 open to public inspection (other than to public employees in the  
16 performance of their official duties), but any interested party shall  
17 be supplied with information from such records to the extent necessary  
18 for the proper presentation of the case in question: PROVIDED, That  
19 any employing unit may authorize inspection of its records by written  
20 consent.

21       **Sec. 4.** RCW 82.32.070 and 1983 c 3 s 221 are each amended to read  
22 as follows:

23       (1)(a) Every person liable for any fee or tax imposed by chapters  
24 82.04 through 82.27 RCW shall keep and preserve, for a period of five  
25 years, suitable records as may be necessary to determine the amount of  
26 any tax for which he may be liable, which records shall include copies  
27 of all federal income tax and state tax returns and reports made by  
28 him. All his books, records, and invoices shall be open for  
29 examination at any time by the department of revenue. In the case of  
30 an out-of-state person or concern which does not keep the necessary  
31 books and records within this state, it shall be sufficient if it  
32 produces within the state such books and records as shall be required  
33 by the department of revenue, or permits the examination by an agent  
34 authorized or designated by the department of revenue at the place  
35 where such books and records are kept. Any person who fails to comply  
36 with the requirements of this section shall be forever barred from  
37 questioning, in any court action or proceedings, the correctness of any  
38 assessment of taxes made by the department of revenue based upon any

1 period for which such books, records, and invoices have not been so  
2 kept and preserved.

3 (b) A person liable for any fee or tax imposed by chapters 82.04  
4 through 82.27 RCW who contracts with another person or entity for work  
5 subject to chapter 18.27 or 19.28 RCW shall obtain and preserve a  
6 record of the unified business identifier account number for the person  
7 or entity performing the work. Failure to obtain or maintain the  
8 record is subject to RCW 39.06.010 and to a penalty determined by the  
9 director, but not to exceed two hundred fifty dollars. The department  
10 shall notify the taxpayer and collect the penalty in the same manner as  
11 penalties under RCW 82.32.100.

12 (2) Any person claiming a credit against the tax imposed by chapter  
13 82.04 RCW by reason of the provisions of RCW 82.04.435 shall keep and  
14 preserve until the claim has been verified or allowed by the department  
15 of revenue sufficient books, records and invoices to prove the right to  
16 and amount of such claim for credit, and no such claim shall be allowed  
17 by the department of revenue unless such books, records and invoices  
18 have been kept and preserved.

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