

SENATE BILL REPORT

SSB 5510

As Passed Senate, March 15, 1999

Title: An act relating to collection agencies used to collect unpaid taxes.

Brief Description: Using collection agencies to collect unpaid taxes.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Oke, Swecker, Long, Sellar, Zarelli, Hochstatter, Rossi, Johnson, Morton, Hale, Stevens and West).

Brief History:

Committee Activity: Ways & Means: 3/8/99 [DPS].
Passed Senate, 3/15/99, 47-1.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5510 be substituted therefor, and the substitute bill do pass.

Signed by Senators Loveland, Chair; Bauer, Vice Chair; Brown, Vice Chair; Fairley, Fraser, Honeyford, Kline, Kohl-Welles, Long, McDonald, Rasmussen, Roach, Rossi, B. Sheldon, Snyder, Spanel, Thibaudeau, West, Winsley, Wojahn and Zarelli.

Staff: David Schumacher (786-7474)

Background: The Department of Revenue (DOR) administers state tax laws and is responsible for the collection of 88 percent of general fund taxes as well as many other non-general fund and local taxes.

Under current law DOR may hire collection agencies for the purpose of collecting unpaid taxes but only for those taxpayers located outside the state of Washington.

The taxpayer's account is credited by the amount collected by the collection agency before accounting for reductions based on reasonable collection costs.

Summary of Bill: The Department of Revenue is allowed to hire collection agencies for the purpose of collecting unpaid taxes within the state of Washington.

DOR may refer those instate accounts that are considered "uncollectible" and therefore are no longer being worked by DOR employees.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Collection agencies should be allowed to work on instate accounts like they can currently work on out-of-state accounts.

Testimony Against: None.

Testified: Stuart Thronson, Dept. of Revenue (pro with concerns); Kevin Underwood, Allied Credit (pro).