

SENATE BILL REPORT

SB 5510

As Reported By Senate Committee On:
Ways & Means, March 8, 1999

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

Brief Description: Using collection agencies to collect unpaid taxes.

Sponsors: Senators Oke, Swecker, Long, Sellar, Zarelli, Hochstatter, Rossi, Johnson, Morton, Hale, Stevens and West.

Brief History:

Committee Activity: Ways & Means: 3/8/99 [DPS].

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 Substitute 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.

Substitute Bill Compared to Original Bill: The change in the way collection costs are credited is removed.

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).