
SUBSTITUTE SENATE BILL 6032

State of Washington

56th Legislature

1999 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Spanel, Honeyford and Gardner)

Read first time 03/08/1999.

1 AN ACT Relating to granting the department of revenue the authority
2 to issue direct payment permits; creating a new section; and declaring
3 an emergency.

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

5 NEW SECTION. **Sec. 1.** (1) The department of revenue shall form an
6 advisory committee consisting of representatives of local government
7 and taxpayers to assist in the study of the effects of allowing persons
8 otherwise doing business in this state to pay sales and use taxes under
9 chapters 82.08, 82.12, and 82.14 RCW directly to the department rather
10 than to the vendor. The department, in consultation with the advisory
11 committee, shall examine whether a direct payment program will:

12 (a) Reduce the administrative burden of determining taxability and
13 of collecting, verifying, calculating, and remitting sales and use
14 taxes;

15 (b) Provide increased compliance with sales and use tax laws;

16 (c) Provide for more accurate compliance in circumstances where
17 determination of taxability of an item is difficult or impractical at
18 the time of purchase;

1 (d) Provide for more accurate calculation of taxes where new or
2 electronic business processes such as electronic data interchange,
3 evaluated receipts settlement, geographic information systems, or
4 computer-assisted audits are utilized; and

5 (e) Provide for more accurate determination and calculation of
6 taxes for taxpayers with significant automation or centralization of
7 purchasing or accounting processes that must comply with many different
8 local sales and use tax rates.

9 (2) The department may use the experience of other states that use
10 direct payment programs in making its determinations under subsection
11 (1) of this section.

12 (3) The department shall report its findings to the legislature by
13 December 31, 1999. The report may include recommendations for
14 potential legislation. If legislation is recommended, the proposals
15 shall include criteria for granting and denying applications for
16 permits. In addition, any proposal shall be designed to assure that a
17 direct pay program does not affect local government revenues, burden
18 vendors, or complicate department of revenue tax administration.

19 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
20 preservation of the public peace, health, or safety, or support of the
21 state government and its existing public institutions, and takes effect
22 immediately.

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