
SUBSTITUTE SENATE BILL 6710

State of Washington

59th Legislature

2006 Regular Session

By Senate Committee on Labor, Commerce, Research & Development
(originally sponsored by Senators Keiser, Kline and Kohl-Welles)

READ FIRST TIME 02/03/06.

1 AN ACT Relating to personal liability for failure to report on or
2 pay unemployment taxes or contributions in lieu of taxes; and adding a
3 new section to chapter 50.24 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 50.24 RCW
6 to read as follows:

7 (1) Upon termination, dissolution, or abandonment of a corporate or
8 limited liability company business, any officer, member, manager, or
9 other person having control or supervision over the payment of
10 unemployment tax contributions under RCW 50.24.010 or 50.24.014, or who
11 is charged with the responsibility for the filing of reports or the
12 payment of unemployment tax contributions or payments in lieu of
13 contributions is personally liable for any unpaid taxes and interest
14 and penalties on those taxes, if such officer or other person willfully
15 fails to pay or to cause to be paid any taxes due the department from
16 the corporation under this chapter.

17 (2) For purposes of subsection (1) of this section, "willfully
18 fails to pay or to cause to be paid" means that the failure was the
19 result of an intentional, conscious, and voluntary course of action.

1 (3) The officer, member or manager, or other person, is liable only
2 for taxes due during the period he or she had the control, supervision,
3 responsibility, or duty to act for the corporation described in
4 subsection (1) of this section, plus interest and penalties on those
5 taxes.

6 (4) Persons liable under subsection (1) of this section are exempt
7 from liability in situations in which the nonpayment of unemployment
8 compensation taxes that were due was beyond their control as determined
9 by the employment security department by rule.

10 (5) Any person having been issued a notice of assessment under this
11 section is entitled to the appeal procedures under this title.

12 (6) This section applies only in situations where the employment
13 security department has determined that there is no reasonable means of
14 collecting the tax owed directly from the corporation.

15 (7) This section does not relieve the corporation or limited
16 liability company of other tax liabilities or otherwise impair other
17 tax collection remedies afforded by law.

18 (8) Collection authority and procedures described in this chapter
19 apply to collections under this section.

20 (9) In determining the amount of taxes due, and whether penalties
21 and interest should be imposed, the commissioner may take into
22 consideration any hardship factors, either personal or business-
23 related, pertaining to the failure of the officer, member, manager, or
24 other person to pay the taxes owed.

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