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**Finance Committee**

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**HB 3283**

**Brief Description:** Relieving active duty military personnel of interest and penalties on delinquent excise taxes.

**Sponsors:** Representatives Herrera, Takko, Orcutt, Hurst, Eddy, Sump, Ericks, Fromhold, McCoy, Hudgins, Kelley, Kessler, Dunn, Ormsby, Linville, Roach and McCune.

**Brief Summary of Bill**

- Excise tax penalties and interest do not apply to businesses while the owner is on active duty in the military and engaged in an armed conflict outside of the country.

**Hearing Date:** February 12, 2008.

**Staff:** Don Taylor (786-7388).

**Background:**

Current law provides a variety of penalties for late payment of state excise taxes and for failure to file a tax return, failure to obtain a business registration, and failure to pay at least a substantial portion of the tax that is due. Penalties also apply to assessments involving filing of a warrant against the taxpayer and for intentional evasion. Interest is added to the amount of outstanding taxes but not to the amount of any penalties that are assessed.

**Summary of Bill:**

Penalties or interest for state excise tax purposes may not be levied against any business in which the majority owner is a member of the armed forces during the period in which the person: (1) is on active duty, (2) is participating in an armed conflict, and (3) is assigned to a location outside of the United States.

**Appropriation:** None.

**Fiscal Note:** Requested on February 7, 2008.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.

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