

SSB 6438 - S AMD 660  
By Senator Ranker

1 On page 49, after line 16, insert the following:

2 "Part XII

3 **Extending the refund period for the overpayment of business and**  
4 **occupation taxes for certain assisted living facilities**

5 **Sec. 1201.** RCW 82.32.060 and 2009 c 176 s 4 are each amended to  
6 read as follows:

7 (1) If, upon receipt of an application by a taxpayer for a refund  
8 or for an audit of the taxpayer's records, or upon an examination of  
9 the returns or records of any taxpayer, it is determined by the  
10 department that within the statutory period for assessment of taxes,  
11 penalties, or interest prescribed by RCW 82.32.050 any amount of tax,  
12 penalty, or interest has been paid in excess of that properly due,  
13 the excess amount paid within, or attributable to, such period must  
14 be credited to the taxpayer's account or must be refunded to the  
15 taxpayer, at the taxpayer's option. Except as provided in subsection  
16 (2) of this section, no refund or credit may be made for taxes,  
17 penalties, or interest paid more than four years prior to the  
18 beginning of the calendar year in which the refund application is  
19 made or examination of records is completed.

20 (2)(a) The execution of a written waiver under RCW 82.32.050 or  
21 82.32.100 will extend the time for making a refund or credit of any  
22 taxes paid during, or attributable to, the years covered by the  
23 waiver if, prior to the expiration of the waiver period, an  
24 application for refund of such taxes is made by the taxpayer or the  
25 department discovers a refund or credit is due.

26 (b) A refund or credit must be allowed for an excess payment  
27 resulting from the failure to claim a bad debt deduction, credit, or  
28 refund under RCW 82.04.4284, 82.08.037, 82.12.037, 82.14B.150, or  
29 82.16.050(5) for debts that became bad debts under 26 U.S.C. Sec.  
30 166, as amended or renumbered as of January 1, 2003, less than four  
31 years prior to the beginning of the calendar year in which the refund  
32 application is made or examination of records is completed.

1       (c) The department may, following the expiration of the waiver  
2 period, extend by another four years the time for making a refund or  
3 credit of any taxes paid by any assisted living facility licensed  
4 under chapter 18.20 RCW with a medicaid contract under chapter 74.39A  
5 RCW, or any nursing home licensed under chapter 18.51 RCW with a  
6 medicaid contract under chapter 74.46 RCW, if the taxpayer's  
7 application persuades the department, in its sole discretion, that  
8 the overpayment of taxes properly due may impair the ability of the  
9 facility to continue offering medicaid care; maintain staffing; or  
10 enhance staffing. In order to receive the extension under this  
11 subsection (2)(c), a refund request must be made to the department by  
12 March 31, 2016.

13       (3) Any such refunds must be made by means of vouchers approved  
14 by the department and by the issuance of state warrants drawn upon  
15 and payable from such funds as the legislature may provide. However,  
16 taxpayers who are required to pay taxes by electronic funds transfer  
17 under RCW 82.32.080 must have any refunds paid by electronic funds  
18 transfer if the department has the necessary account information to  
19 facilitate a refund by electronic funds transfer.

20       (4) Any judgment for which a recovery is granted by any court of  
21 competent jurisdiction, not appealed from, for tax, penalties, and  
22 interest which were paid by the taxpayer, and costs, in a suit by any  
23 taxpayer must be paid in the same manner, as provided in subsection  
24 (3) of this section, upon the filing with the department of a  
25 certified copy of the order or judgment of the court.

26       (a) Interest at the rate of three percent per annum must be  
27 allowed by the department and by any court on the amount of any  
28 refund, credit, or other recovery allowed to a taxpayer for taxes,  
29 penalties, or interest paid by the taxpayer before January 1, 1992.  
30 This rate of interest applies for all interest allowed through  
31 December 31, 1998. Interest allowed after December 31, 1998, must be  
32 computed at the rate as computed under RCW 82.32.050(2). The rate so  
33 computed must be adjusted on the first day of January of each year  
34 for use in computing interest for that calendar year.

35       (b) For refunds or credits of amounts paid or other recovery  
36 allowed to a taxpayer after December 31, 1991, the rate of interest  
37 must be the rate as computed for assessments under RCW 82.32.050(2)  
38 less one percent. This rate of interest applies for all interest  
39 allowed through December 31, 1998. Interest allowed after December  
40 31, 1998, must be computed at the rate as computed under RCW

1 82.32.050(2). The rate so computed must be adjusted on the first day  
2 of January of each year for use in computing interest for that  
3 calendar year.

4 (5) Interest allowed on a credit notice or refund issued after  
5 December 31, 2003, must be computed as follows:

6 (a) If all overpayments for each calendar year and all reporting  
7 periods ending with the final month included in a notice or refund  
8 were made on or before the due date of the final return for each  
9 calendar year or the final reporting period included in the notice or  
10 refund:

11 (i) Interest must be computed from January 31st following each  
12 calendar year included in a notice or refund; or

13 (ii) Interest must be computed from the last day of the month  
14 following the final month included in a notice or refund.

15 (b) If the taxpayer has not made all overpayments for each  
16 calendar year and all reporting periods ending with the final month  
17 included in a notice or refund on or before the dates specified by  
18 RCW 82.32.045 for the final return for each calendar year or the  
19 final month included in the notice or refund, interest must be  
20 computed from the last day of the month following the date on which  
21 payment in full of the liabilities was made for each calendar year  
22 included in a notice or refund, and the last day of the month  
23 following the date on which payment in full of the liabilities was  
24 made if the final month included in a notice or refund is not the end  
25 of a calendar year.

26 (c) Interest included in a credit notice must accrue up to the  
27 date the taxpayer could reasonably be expected to use the credit  
28 notice, as defined by the department's rules. If a credit notice is  
29 converted to a refund, interest must be recomputed to the date the  
30 refund is issued, but not to exceed the amount of interest that would  
31 have been allowed with the credit notice."

32 Renumber the remaining part and sections consecutively and  
33 correct any internal references accordingly.

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1           On page 1, beginning on line 5 of the title, after "82.01.060,"  
2   strike "and 84.33.089" and insert "84.33.089, and 82.32.060"

EFFECT: The department of revenue may extend the allowable refund period for assisted living facilities or nursing homes with a Medicaid contract, if the refund application persuades the department that the overpayment of taxes due may impair the ability of the facility to continue offering medicated care, maintain staffing or enhance staffing. The refund request must be made by March 31, 2016, to qualify.

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