
SENATE BILL 5542

State of Washington 64th Legislature 2015 Regular Session

By Senator Hill; by request of Department of Revenue

Read first time 01/23/15. Referred to Committee on Ways & Means.

1 AN ACT Relating to providing reasonable tools for the effective
2 administration of the public utility district privilege tax; amending
3 RCW 54.28.030, 54.28.040, 54.28.050, 54.28.055, 82.32.050, 82.32.060,
4 82.32.070, 82.32.100, 82.32.105, 82.32.160, and 82.32.350; and adding
5 a new section to chapter 54.28 RCW.

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

7 NEW SECTION. **Sec. 1.** A new section is added to
8 chapter 54.28 RCW to read as follows:

9 The following provisions of chapter 82.32 RCW apply with respect
10 to the taxes imposed under this chapter and collected by the
11 department of revenue, unless the context clearly requires otherwise:
12 RCW 82.32.050, 82.32.060, 82.32.070, 82.32.100, 82.32.105, 82.32.135,
13 82.32.150, 82.32.160, 82.32.170, 82.32.180, 82.32.240, 82.32.330,
14 82.32.340, 82.32.350, 82.32.360, 82.32.410, and any other provision
15 of chapter 82.32 RCW specifically referenced in the statutes listed
16 in this section. The definitions in this chapter have full force and
17 application with respect to the application of chapter 82.32 RCW to
18 this chapter unless the context clearly requires otherwise.

19 **Sec. 2.** RCW 54.28.030 and 1977 ex.s. c 366 s 3 are each amended
20 to read as follows:

1 (1) On or before the fifteenth day of March of each year, each
2 district subject to this tax (~~(shall)~~) must file with the department
3 of revenue a report verified by the affidavit of its manager or
4 secretary on forms prescribed by the department of revenue. Such
5 report (~~(shall)~~) must state (~~((1))~~) (a) the gross revenues derived by
6 the district from the sale of all distributed energy to consumers and
7 the respective amounts derived from such sales within each county;
8 (~~((2))~~) (b) the gross revenues derived by the district from the sale
9 of self-generated energy for resale; (~~((3))~~) (c) the amount of all
10 generated energy distributed from each of the facilities subject to
11 taxation by a district from its own generating facilities, the
12 wholesale value thereof, and the basis on which the value is
13 computed; (~~((4))~~) (d) the total cost of all generating facilities and
14 the cost of acquisition of land and land rights for such facilities
15 or for reservoir purposes in each county; and (~~((5))~~) (e) such other
16 and further information as the department of revenue reasonably may
17 require in order to administer the provisions of this chapter.

18 (2) In case of failure by a district to file such report, the
19 department may proceed to determine the information, which
20 determination (~~(shall be)~~) is contestable by the district (~~(only for~~
21 ~~actual fraud)~~) as provided under RCW 82.32.100(2).

22 (3)(a) Beginning January 1, 2016, reports due under this section
23 must be filed electronically in a form or manner provided or
24 authorized by the department. However, the department, upon request
25 or its own initiative, may relieve any district from the electronic
26 filing requirement under this subsection for good cause as determined
27 by the department.

28 (b) For purposes of this subsection, "good cause" means:

29 (i) A circumstance or condition exists that, in the department's
30 judgment, prevents the district from electronically filing the report
31 due under this section; or

32 (ii) The department determines that relief from the electronic
33 filing requirement under this subsection supports the efficient or
34 effective administration of this chapter.

35 **Sec. 3.** RCW 54.28.040 and 1996 c 149 s 16 are each amended to
36 read as follows:

37 (1)(a) Before May 1st, the department of revenue (~~(shall)~~) must
38 compute the tax imposed by this chapter for the last preceding

1 calendar year and notify the district of the amount thereof, which
2 (~~shall be~~) is payable on or before the following June 1st.

3 (b) Beginning January 1, 2016, districts must remit payments due
4 under this section by electronic funds transfer or other form of
5 electronic payment acceptable to the department. However, the
6 department, upon request or its own initiative, may relieve any
7 district from the electronic payment requirement under this
8 subsection for good cause as determined by the department.

9 (c) For purposes of this subsection, "good cause" means:

10 (i) A circumstance or condition exists that, in the department's
11 judgment, prevents the district from remitting payments due under
12 this section electronically; or

13 (ii) The department determines that relief from the electronic
14 payment requirement under this subsection supports the efficient or
15 effective administration of this chapter.

16 (2)(a) If payment of any tax is not received by the department on
17 or before the due date, (~~there shall be assessed~~) a penalty of five
18 percent of the amount of the tax is assessed; if the tax is not
19 received within one month of the due date, (~~there shall be~~
20 ~~assessed~~) a total penalty of ten percent of the amount of the tax is
21 assessed; and if the tax is not received within two months of the due
22 date, (~~there shall be assessed~~) a total penalty of twenty percent
23 of the amount of the tax is assessed.

24 (b) If a district fails to file any report electronically or
25 fails to pay electronically any taxes due under a report, the
26 department must assess a penalty equal to five percent of the amount
27 of the tax payable under the report, unless the department has
28 granted a waiver of the electronic filing and payment requirements.
29 Total penalties assessed under this subsection (2)(b) may not exceed
30 five percent of the tax payable under the report and are in addition
31 to any applicable penalties assessed under (a) of this subsection
32 (2).

33 (3) Upon receipt of the amount of each tax imposed the department
34 of revenue (~~shall~~) must deposit the same with the state treasurer,
35 who (~~shall~~) must deposit four percent of the revenues received
36 under RCW 54.28.020(1) and 54.28.025(1) and all revenues received
37 under RCW 54.28.020(2) and 54.28.025(2) in the general fund of the
38 state and (~~shall~~) must distribute the remainder in the manner
39 hereinafter set forth. The state treasurer (~~shall~~) must send a
40 duplicate copy of each transmittal to the department of revenue.

1 **Sec. 4.** RCW 54.28.050 and 1982 1st ex.s. c 35 s 21 are each
2 amended to read as follows:

3 (1) Except as provided in subsection (2) of this section, after
4 computing the tax imposed by RCW 54.28.020(1), the department of
5 revenue (~~shall~~) must instruct the state treasurer, after placing
6 thirty-seven and six-tenths percent in the state general fund to be
7 dedicated for the benefit of the public schools, to distribute the
8 balance collected under RCW 54.28.020(1)(a) to each county in
9 proportion to the gross revenue from sales made within each county;
10 and to distribute the balance collected under RCW 54.28.020(1) (b)
11 and (c) as follows(~~(+)~~).

12 (a) If the entire generating facility, including reservoir, if
13 any, is in a single county then all of the balance to the county
14 where such generating facility is located.

15 (b) If any reservoir is in more than one county, then to each
16 county in which the reservoir or any portion thereof is located a
17 percentage equal to the percentage determined by dividing the total
18 cost of the generating facilities, including adjacent switching
19 facilities, into twice the cost of land and land rights acquired for
20 any reservoir within each county, land and land rights to be defined
21 the same as used by the federal power commission.

22 (c) If the powerhouse and dam, if any, in connection with such
23 reservoir are in more than one county, the balance (~~shall~~) must be
24 divided sixty percent to the county in which the owning district is
25 located and forty percent to the other county or counties or if
26 (~~said~~) the powerhouse and dam, if any, are owned by a joint
27 operating agency organized under chapter 43.52 RCW, or by more than
28 one district or are outside the county of the owning district, then
29 to be divided equally between the counties in which such facilities
30 are located. If all of the powerhouse and dam, if any, are in one
31 county, then the balance (~~shall~~) must be distributed to the county
32 in which the facilities are located.

33 (2) The department of revenue must instruct the state treasurer
34 to adjust distributions under this section, in whole or in part, to
35 account for each county's proportionate share of amounts previously
36 distributed under this section and subsequently refunded to a public
37 utility district under RCW 82.32.060.

38 (3) The provisions of this section (~~shall~~) do not apply to the
39 distribution of taxes collected under RCW 54.28.025.

1 **Sec. 5.** RCW 54.28.055 and 1986 c 189 s 1 are each amended to
2 read as follows:

3 (1) Except as provided in subsection (3) of this section, after
4 computing the tax imposed by RCW 54.28.025(1), the department of
5 revenue (~~shall~~) must instruct the state treasurer to distribute the
6 amount collected as follows:

7 (a) Fifty percent to the state general fund for the support of
8 schools; and

9 (b) Twenty-two percent to the counties, twenty-three percent to
10 the cities, three percent to the fire protection districts, and two
11 percent to the library districts.

12 (2) Each county, city, fire protection district, and library
13 district (~~shall~~) must receive a percentage of the amount for
14 distribution to counties, cities, fire protection districts, and
15 library districts, respectively, in the proportion that the
16 population of such district residing within the impacted area bears
17 to the total population of all such districts residing within the
18 impacted area. For the purposes of this chapter, the term "library
19 district" includes only regional libraries (~~as defined in RCW~~
20 ~~27.12.010(4)~~), rural county library districts (~~as defined in RCW~~
21 ~~27.12.010(5)~~), intercounty rural library districts (~~as defined in~~
22 ~~RCW 27.12.010(6)~~), and island library districts as those terms are
23 defined in RCW 27.12.010(~~(7)~~). The population of a library
24 district, for purposes of such a distribution, (~~shall~~) may not
25 include any population within the library district and the impact
26 area that also is located within a city or town.

27 (3) Distributions under this section must be adjusted as follows:

28 (a) If any distribution pursuant to subsection (1)(b) of this
29 section cannot be made, then that share (~~shall~~) must be prorated
30 among the state and remaining local districts.

31 (b) The department of revenue must instruct the state treasurer
32 to adjust distributions under this section, in whole or in part, to
33 account for each county's, city's, fire protection district's, and
34 library district's proportionate share of amounts previously
35 distributed under this section and subsequently refunded to a public
36 utility district under RCW 82.32.060.

37 (4) All distributions directed by this section to be made on the
38 basis of population (~~shall~~) must be calculated in accordance with
39 data to be provided by the office of financial management.

1 **Sec. 6.** RCW 82.32.050 and 2008 c 181 s 501 are each amended to
2 read as follows:

3 (1) If upon examination of any returns or from other information
4 obtained by the department it appears that a tax or penalty has been
5 paid less than that properly due, the department (~~shall~~) must
6 assess against the taxpayer such additional amount found to be due
7 and (~~shall~~) must add thereto interest on the tax only. The
8 department (~~shall~~) must notify the taxpayer by mail, or
9 electronically as provided in RCW 82.32.135, of the additional amount
10 and the additional amount (~~shall~~) becomes due and (~~shall~~) must be
11 paid within thirty days from the date of the notice, or within such
12 further time as the department may provide.

13 (a) For tax liabilities arising before January 1, 1992, interest
14 (~~shall-be~~) is computed at the rate of nine percent per annum from
15 the last day of the year in which the deficiency is incurred until
16 the earlier of December 31, 1998, or the date of payment. After
17 December 31, 1998, the rate of interest (~~shall-be~~) is variable and
18 computed as provided in subsection (2) of this section. The rate so
19 computed (~~shall~~) must be adjusted on the first day of January of
20 each year for use in computing interest for that calendar year.

21 (b) For tax liabilities arising after December 31, 1991, the rate
22 of interest (~~shall-be~~) is variable and computed as provided in
23 subsection (2) of this section from the last day of the year in which
24 the deficiency is incurred until the date of payment. The rate so
25 computed (~~shall~~) must be adjusted on the first day of January of
26 each year for use in computing interest for that calendar year.

27 (c) Interest imposed after December 31, 1998, (~~shall~~) must be
28 computed from the last day of the month following each calendar year
29 included in a notice, and the last day of the month following the
30 final month included in a notice if not the end of a calendar year,
31 until the due date of the notice. If payment in full is not made by
32 the due date of the notice, additional interest (~~shall~~) must be
33 computed until the date of payment. The rate of interest (~~shall-be~~)
34 is variable and computed as provided in subsection (2) of this
35 section. The rate so computed (~~shall~~) must be adjusted on the first
36 day of January of each year for use in computing interest for that
37 calendar year.

38 (2) For the purposes of this section, the rate of interest to be
39 charged to the taxpayer (~~shall-be~~) is an average of the federal
40 short-term rate as defined in 26 U.S.C. Sec. 1274(d) plus two

1 percentage points. The rate set for each new year (~~shall~~) must be
2 computed by taking an arithmetical average to the nearest percentage
3 point of the federal short-term rate, compounded annually. That
4 average (~~shall~~) must be calculated using the rates from four
5 months: January, April, and July of the calendar year immediately
6 preceding the new year, and October of the previous preceding year.

7 (3) During a state of emergency declared under RCW 43.06.010(12),
8 the department, on its own motion or at the request of any taxpayer
9 affected by the emergency, may extend the due date of any assessment
10 or correction of an assessment for additional taxes, penalties, or
11 interest as the department deems proper.

12 (4) No assessment or correction of an assessment for additional
13 taxes, penalties, or interest due may be made by the department more
14 than four years after the close of the tax year, or three years after
15 June 1st of the year in which the report is due for taxes imposed
16 under chapter 54.28 RCW, except (a) against a taxpayer who has not
17 registered as required by this chapter, (b) upon a showing of fraud
18 or of misrepresentation of a material fact by the taxpayer, or (c)
19 where a taxpayer has executed a written waiver of such limitation.
20 The execution of a written waiver (~~shall~~) also extends the period
21 for making a refund or credit as provided in RCW 82.32.060(2).

22 (5) For the purposes of this section, "return" means any document
23 a person is required by the state of Washington to file to satisfy or
24 establish a tax or fee obligation that is administered or collected
25 by the department of revenue and that has a statutorily defined due
26 date, including reports required under RCW 54.28.030.

27 **Sec. 7.** RCW 82.32.060 and 2009 c 176 s 4 are each amended to
28 read as follows:

29 (1) If, upon receipt of an application by a taxpayer for a refund
30 or for an audit of the taxpayer's records, or upon an examination of
31 the returns or records of any taxpayer, it is determined by the
32 department that within the statutory period for assessment of taxes,
33 penalties, or interest prescribed by RCW 82.32.050 any amount of tax,
34 penalty, or interest has been paid in excess of that properly due,
35 the excess amount paid within, or attributable to, such period must
36 be credited to the taxpayer's account or must be refunded to the
37 taxpayer, at the taxpayer's option. Except as provided in subsection
38 (2) of this section, no refund or credit may be made for taxes,
39 penalties, or interest paid more than four years prior to the

1 beginning of the calendar year in which the refund application is
2 made or examination of records is completed, or three years after
3 June 1st of the year in which the report is due for taxes imposed
4 under chapter 54.28 RCW.

5 (2)(a) The execution of a written waiver under RCW 82.32.050 or
6 82.32.100 will extend the time for making a refund or credit of any
7 taxes paid during, or attributable to, the years covered by the
8 waiver if, prior to the expiration of the waiver period, an
9 application for refund of such taxes is made by the taxpayer or the
10 department discovers a refund or credit is due.

11 (b) A refund or credit must be allowed for an excess payment
12 resulting from the failure to claim a bad debt deduction, credit, or
13 refund under RCW 82.04.4284, 82.08.037, 82.12.037, 82.14B.150, or
14 82.16.050(5) for debts that became bad debts under 26 U.S.C. Sec.
15 166, as amended or renumbered as of January 1, 2003, less than four
16 years prior to the beginning of the calendar year in which the refund
17 application is made or examination of records is completed.

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

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

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

1 (b) For refunds or credits of amounts paid or other recovery
2 allowed to a taxpayer after December 31, 1991, the rate of interest
3 must be the rate as computed for assessments under RCW 82.32.050(2)
4 less one percent. This rate of interest applies for all interest
5 allowed through December 31, 1998. Interest allowed after December
6 31, 1998, must be computed at the rate as computed under RCW
7 82.32.050(2). The rate so computed must be adjusted on the first day
8 of January of each year for use in computing interest for that
9 calendar year.

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

12 (a) If all overpayments for each calendar year and all reporting
13 periods ending with the final month included in a notice or refund
14 were made on or before the due date of the final return for each
15 calendar year or the final reporting period included in the notice or
16 refund:

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

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

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

32 (c) Interest included in a credit notice must accrue up to the
33 date the taxpayer could reasonably be expected to use the credit
34 notice, as defined by the department's rules. If a credit notice is
35 converted to a refund, interest must be recomputed to the date the
36 refund is issued, but not to exceed the amount of interest that would
37 have been allowed with the credit notice.

38 **Sec. 8.** RCW 82.32.070 and 2013 c 23 s 322 are each amended to
39 read as follows:

1 (1) Every person liable for any fee or tax imposed by chapters
2 82.04 through 82.27 RCW (~~shall~~), or any other chapter to which this
3 statute or chapter is specifically made applicable, must keep and
4 preserve, for a period of five years, suitable records as may be
5 necessary to determine the amount of any tax for which (~~he or she~~)
6 such person may be liable, which records (~~shall~~) must include
7 copies of all federal income tax and state tax returns and reports
8 made by (~~him or her~~) such person. All (~~his or her~~) books,
9 records, and invoices (~~shall~~) of such persons must be open for
10 examination at any time by the department (~~of revenue~~). In the case
11 of an out-of-state person or concern (~~which~~) that does not keep the
12 necessary books and records within this state, it (~~shall be~~) is
13 sufficient if it produces within the state such books and records as
14 (~~shall be~~) required by the department (~~of revenue~~), or permits
15 the examination by an agent authorized or designated by the
16 department (~~of revenue~~) at the place where such books and records
17 are kept. Any person who fails to comply with the requirements of
18 this section (~~shall be~~) is forever barred from questioning, in any
19 court action or proceedings, the correctness of any assessment of
20 taxes made by the department (~~of revenue~~) based upon any period for
21 which such books, records, and invoices have not been so kept and
22 preserved.

23 (2) A person liable for any fee or tax imposed by chapters 82.04
24 through 82.27 RCW who contracts with another person or entity for
25 work subject to chapter 18.27 or 19.28 RCW (~~shall~~) must obtain and
26 preserve a record of the unified business identifier account number
27 for the person or entity performing the work. Failure to obtain or
28 maintain the record is subject to RCW 39.06.010 and to a penalty
29 determined by the director, but not to exceed two hundred fifty
30 dollars. The department (~~shall~~) must notify the taxpayer and
31 collect the penalty in the same manner as penalties under RCW
32 82.32.100.

33 **Sec. 9.** RCW 82.32.100 and 2007 c 111 s 107 are each amended to
34 read as follows:

35 (1) If any person fails or refuses to make any return or to make
36 available for examination the records required by this chapter, the
37 department (~~shall~~) will proceed, in (~~such~~) the manner (~~as~~) it
38 (~~may~~) deems best, to obtain facts and information on which to base

1 its estimate of the tax; and to this end the department may examine
2 the records of any such person as provided in RCW 82.32.110.

3 (2) As soon as the department procures such facts and information
4 as it is able to obtain upon which to base the assessment of any tax
5 payable by any person who has failed or refused to make a return, it
6 (~~shall~~) must proceed to determine and assess against such person
7 the tax and any applicable penalties or interest due, but such action
8 (~~shall~~) may not deprive (~~such~~) the person from appealing the
9 assessment as provided in this chapter. The department (~~shall~~) must
10 notify the taxpayer by mail, or electronically as provided in RCW
11 82.32.135, of the total amount of such tax, penalties, and interest,
12 and the total amount (~~shall~~) becomes due and (~~shall~~) must be paid
13 within thirty days from the date of such notice.

14 (3) No assessment or correction of an assessment may be made by
15 the department more than four years after the close of the tax year,
16 or three years after June 1st of the year in which the report is due
17 for taxes imposed under chapter 54.28 RCW, except (a) against a
18 taxpayer who has not registered as required by this chapter, (b) upon
19 a showing of fraud or of misrepresentation of a material fact by the
20 taxpayer, or (c) where a taxpayer has executed a written waiver of
21 such limitation. The execution of a written waiver (~~shall~~) also
22 extends the period for making a refund or credit as provided in RCW
23 82.32.060(2).

24 **Sec. 10.** RCW 82.32.105 and 1998 c 304 s 13 are each amended to
25 read as follows:

26 (1) If the department (~~of revenue~~) finds that the payment by a
27 taxpayer of a tax less than that properly due or the failure of a
28 taxpayer to pay any tax by the due date was the result of
29 circumstances beyond the control of the taxpayer, the department (~~of~~
30 ~~revenue shall~~) must waive or cancel any penalties imposed under this
31 chapter, or under the chapter in which the tax is imposed, with
32 respect to such tax.

33 (2) The department (~~shall~~) must waive or cancel the penalty
34 imposed under RCW 82.32.090(1) or 54.28.040(2)(a) when the
35 circumstances under which the delinquency occurred do not qualify for
36 waiver or cancellation under subsection (1) of this section if:

37 (a) The taxpayer requests the waiver for a tax return required to
38 be filed under RCW 82.32.045, 82.14B.061, 82.23B.020, 82.27.060,

1 82.29A.050, or 84.33.086, or for the report due under chapter 54.28
2 RCW; and

3 (b)(i) The taxpayer has timely filed and remitted payment on all
4 tax returns due for that tax program for a period of twenty-four
5 months immediately preceding the period covered by the return for
6 which the waiver is being requested.

7 (ii) For purposes of the state taxes imposed under chapter 54.28
8 RCW, a taxpayer will be deemed to have met the requirements for a
9 penalty waiver in this subsection (2)(b) if:

10 (A) By the due dates, the taxpayer has filed the reports required
11 under RCW 54.28.030 and paid the full amount of taxes as computed by
12 the department for the two tax years immediately preceding the tax
13 year for which a penalty waiver is requested; and

14 (B) The taxpayer has complied with the electronic filing and
15 payment requirements in RCW 54.28.040 for the tax year for which a
16 penalty waiver is requested and the two tax years immediately
17 preceding that tax year, absent a waiver granted by the department.

18 (3) The department (~~shall~~) must waive or cancel interest
19 imposed under this chapter, or under the chapter in which the tax is
20 imposed, if:

21 (a) The failure to timely pay the tax was the direct result of
22 written instructions given the taxpayer by the department; or

23 (b) The extension of a due date for payment of an assessment of
24 deficiency was not at the request of the taxpayer and was for the
25 sole convenience of the department.

26 (4) The department (~~of revenue shall~~) must adopt rules for the
27 waiver or cancellation of penalties and interest imposed by this
28 chapter.

29 **Sec. 11.** RCW 82.32.160 and 2007 c 111 s 110 are each amended to
30 read as follows:

31 (1) Any person having been issued a notice of additional taxes,
32 delinquent taxes, interest, or penalties assessed by the department,
33 or notice of state taxes due under chapter 54.28 RCW, may within
34 thirty days after the issuance of the original notice of the amount
35 thereof or within the period covered by any extension of the due date
36 thereof granted by the department petition the department in writing
37 for a correction of the amount of the assessment, and a conference
38 for examination and review of the assessment. The petition (~~shall~~)
39 must set forth the reasons why the correction should be granted and

1 the amount of the tax, interest, or penalties, which the petitioner
2 believes to be due. The department (~~shall~~) must promptly consider
3 the petition and may grant or deny it. If denied, the petitioner
4 (~~shall~~) must be notified by mail, or electronically as provided in
5 RCW 82.32.135(~~, thereof forthwith~~). If a conference is granted, the
6 department (~~shall~~) must fix the time and place therefor and notify
7 the petitioner thereof by mail or electronically as provided in RCW
8 82.32.135. After the conference the department may make such
9 determination as may appear to it to be just and lawful and (~~shall~~)
10 must mail a copy of its determination to the petitioner, or provide a
11 copy of its determination electronically as provided in RCW
12 82.32.135. If no such petition is filed within the thirty-day period
13 the assessment covered by the notice (~~shall~~) becomes final.

14 (2) The procedures provided (~~for herein shall~~) in this section
15 apply also to a notice denying, in whole or in part, an application
16 for a pollution control tax exemption and credit certificate, with
17 such modifications to such procedures established by departmental
18 rules and regulations as may be necessary to accommodate a claim for
19 exemption or credit.

20 **Sec. 12.** RCW 82.32.350 and 1971 ex.s. c 299 s 23 are each
21 amended to read as follows:

22 The department may enter into an agreement in writing with any
23 person relating to the liability of such person in respect of any tax
24 imposed by any of the preceding chapters of this title, or any tax in
25 respect to which this section is specifically made applicable, for
26 any taxable period or periods.

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