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HOUSE BILL 1319

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State of Washington

67th Legislature

2021 Regular Session

By Representatives Corry, Stokesbary, Maycumber, Boehnke, Vick, Chase, Barkis, and Sutherland

Read first time 01/20/21. Referred to Committee on Finance.

1 AN ACT Relating to creating a Washington recovery rebate by  
2 temporarily expanding the working families' tax exemption; amending  
3 RCW 82.08.0206; and declaring an emergency.

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

5 **Sec. 1.** RCW 82.08.0206 and 2008 c 325 s 2 are each amended to  
6 read as follows:

7 (1) A working families' tax exemption, in the form of a  
8 remittance tax due under this chapter and chapter 82.12 RCW, is  
9 provided to eligible low-income persons for sales taxes paid under  
10 this chapter after January 1, 2008.

11 (2) For purposes of the exemption in this section, an eligible  
12 low-income person is:

13 (a) An individual, or an individual and that individual's spouse  
14 if they file a federal joint income tax return;

15 (b) (~~{An individual who}~~ Who) An individual who is eligible  
16 for, and is granted, the credit provided in Title 26 U.S.C. Sec. 32;  
17 and

18 (c) (~~{An individual who}~~ Who) An individual who properly files  
19 a federal income tax return as a Washington resident, and has been a  
20 resident of the state of Washington more than (~~one hundred eighty~~)  
21 180 days of the year for which the exemption is claimed.

1           (3)   (~~For remittances made in 2009 and 2010, the working~~  
2 ~~families' tax exemption for the prior year is a retail sales tax~~  
3 ~~exemption equal to the greater of five percent of the credit granted~~  
4 ~~as a result of Title 26 U.S.C. Sec. 32 in the most recent year for~~  
5 ~~which data is available or twenty-five dollars.)) For remittances  
6 made in fiscal year 2021, the working families' tax exemption for the  
7 prior year is equal to the greater of 20 percent of the credit  
8 granted as a result of Title 26 U.S.C. Sec. 32 in the most recent  
9 year for which data is available or \$100. For ((2011)) fiscal year  
10 2022 and thereafter, the working families' tax exemption for the  
11 prior year is equal to the greater of ((~~ten~~)) 10 percent of the  
12 credit granted as a result of Title 26 U.S.C. Sec. 32 in the most  
13 recent year for which data is available or ((~~fifty dollars~~)) \$50.~~

14           (4) For any fiscal period, the working families' tax exemption  
15 authorized under this section shall be approved by the legislature in  
16 the state omnibus appropriations act before persons may claim the  
17 exemption during the fiscal period.

18           (5) The working families' tax exemption shall be administered as  
19 provided in this subsection.

20           (a) An eligible low-income person claiming an exemption under  
21 this section must pay the tax imposed under chapters 82.08, 82.12,  
22 and 82.14 RCW in the year for which the exemption is claimed. The  
23 eligible low-income person may then apply to the department for the  
24 remittance as calculated under subsection (3) of this section.

25           (b) Application shall be made to the department in a form and  
26 manner determined by the department, but the department must provide  
27 alternative filing methods for applicants who do not have access to  
28 electronic filing.

29           (c) Application for the exemption remittance under this section  
30 must be made in the year following the year for which the federal  
31 return was filed, but in no case may any remittance be provided for  
32 any period before January 1, 2008. The department may use the best  
33 available data to process the exemption remittance. The department  
34 shall begin accepting applications October 1, 2009.

35           (d) The department shall review the application and determine  
36 eligibility for the working families' tax exemption based on  
37 information provided by the applicant and through audit and other  
38 administrative records, including, when it deems it necessary,  
39 verification through internal revenue service data.

1 (e) The department shall remit the exempted amounts to eligible  
2 low-income persons who submitted applications. Remittances may be  
3 made by electronic funds transfer or other means.

4 (f) The department may, in conjunction with other agencies or  
5 organizations, design and implement a public information campaign to  
6 inform potentially eligible persons of the existence of and  
7 requirements for this exemption.

8 (g) The department may contact persons who appear to be eligible  
9 low-income persons as a result of information received from the  
10 internal revenue service under such conditions and requirements as  
11 the internal revenue service may by law require.

12 (6) The provisions of chapter 82.32 RCW apply to the exemption in  
13 this section.

14 (7) The department may adopt rules necessary to implement this  
15 section.

16 (8) The department shall limit its costs for the exemption  
17 program to the initial start-up costs to implement the program. The  
18 state omnibus appropriations act shall specify funding to be used for  
19 the ongoing administrative costs of the program. These ongoing  
20 administrative costs include, but are not limited to, costs for: The  
21 processing of internet and mail applications, verification of  
22 application claims, compliance and collections, additional full-time  
23 employees at the department's call center, processing warrants,  
24 updating printed materials and web information, media advertising,  
25 and support and maintenance of computer systems.

26 NEW SECTION. **Sec. 2.** This act is necessary for the immediate  
27 preservation of the public peace, health, or safety, or support of  
28 the state government and its existing public institutions, and takes  
29 effect immediately.

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