

RCW 82.32.052 Interest and penalties—Waiver for amounts unpaid as of February 1, 2011. (1) Except as otherwise provided in subsections (4) and (5) of this section, the department must waive all penalties and interest otherwise due under this chapter and that are unpaid as of February 1, 2011, if all of the following circumstances are met:

(a) The penalties and interest are imposed with respect to: (i) State business and occupation tax, state public utility tax, state or local sales tax, or state or local use tax; and (ii) tax liability that first became due to the department before February 1, 2011, which includes taxes billed to the taxpayer, or disclosed by the taxpayer to the department, on or after February 1, 2011, but that were required by this chapter to have been reported and paid by the taxpayer before February 1, 2011;

(b) The taxpayer must file with the department no later than April 18, 2011: (i) All outstanding tax returns for the taxes specified in (a)(i) of this subsection (1); and (ii) any amended returns covering tax liabilities with respect to which a penalty and interest waiver under this section is requested;

(c) Before May 1, 2011, the taxpayer must remit full payment to the department of the balance due on all tax liabilities for which a penalty and interest waiver under this section is requested. If a waiver is requested for penalties or interest associated with an invoice that has been billed to the taxpayer, the taxpayer must remit full payment to the department of the entire balance due on that invoice other than any penalty and interest eligible for waiver under this section, even if the invoice includes taxes not specified in (a)(i) of this subsection (1). If the invoice is a tax warrant, the taxpayer must also remit full payment to the department of any filing or other fees added to the tax warrant, including the filing fees provided in RCW 36.18.012 (2) and (10), the fee imposed in RCW 36.18.016(4), and the surcharge imposed in RCW 40.14.027;

(d) The taxpayer must file and pay in full by the due date all tax returns that become due after January 31, 2011, and before May 1, 2011, for all taxes administered by the department under this chapter;

(e) No later than April 18, 2011, the department must receive a completed application for penalty and interest waiver under this section in a form and manner prescribed by the department;

(f) The taxpayer must never have had an evasion penalty assessed against the taxpayer by the department under RCW 82.32.090 or a penalty assessed against the taxpayer by the department under RCW 82.32.291 for misusing a reseller permit or resale certificate; and

(g) The taxpayer must never have been a defendant in a criminal prosecution related to an offense involving the failure to collect or pay the proper amount of any tax administered by the department under this chapter.

(2) Taxpayers receiving penalty or interest relief under this section may not seek a refund, or otherwise challenge the amount, of any tax liability paid as required by subsection (1)(c) of this section. This subsection (2) applies to refund requests or appeals filed directly with the department and to proceedings brought in any court or administrative tribunal.

(3) All tax liability reported and paid as required in subsection (1)(b), (c), and (d) of this section is subject to verification by the department as provided in RCW 82.32.050. This section does not preclude the assessment of taxes, penalties, and interest with respect

to any amounts determined by the department to have been underpaid for any tax period for which the taxpayer previously received penalty or interest relief under this section.

(4) This section does not authorize the department to waive the evasion penalty currently authorized by RCW 82.32.090(7) or the penalty currently authorized by RCW 82.32.291 for misusing a reseller permit or resale certificate.

(5) If taxpayers are current for tax returns due as of November 25, 2010, tax liability that accrues after that date would not qualify under this section.

(6) Nothing in this section may be construed as requiring a taxpayer to have first paid any penalty or interest for which a waiver is sought under this section.

(7) Solely for purposes of determining whether a taxpayer qualifies for a waiver of penalties or interest under this section with respect to a balance owing as of February 1, 2011, on any invoice issued by the department, any payments made to the department on that taxpayer's account before May 1, 2011, are deemed to have been applied first to any of the taxes specified in subsection (1)(a)(i) of this section, then to any other taxes, and then to penalties or interest, if such payments were applied either:

(a) To that invoice; or

(b) Against any liability reflected in that invoice before that invoice was issued by the department.

(8) A taxpayer in a bankruptcy proceeding is ineligible for relief under this section to the extent that the payment of any tax debt by the taxpayer to the department as required under this section violates the federal bankruptcy code. [2010 2nd sp.s. c 2 s 1.]

Effective date—2010 2nd sp.s. c 2: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect February 1, 2011." [2010 2nd sp.s. c 2 s 3.]