
HOUSE BILL 2521

State of Washington

66th Legislature

2020 Regular Session

By Representatives Thai, Ortiz-Self, Ryu, Lekanoff, Senn, Kilduff, Walen, Gregerson, Davis, Slatter, Frame, Kloba, and Macri

1 AN ACT Relating to adding individual tax identification number
2 filers to the working families tax credit; amending RCW 82.08.0206;
3 creating a new section; and providing an effective date.

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))~~ the following definitions apply:

13 (a) ~~((An))~~ (i) Except as provided in (a)(ii) of this subsection,
14 "eligible low-income person" means an individual ~~((, or an individual~~
15 ~~and that individual's spouse if they file a federal joint income tax~~
16 ~~return;))~~ who:

17 ~~((b) [An individual who] Who is))~~ (A) Is eligible for, and is
18 granted, the credit provided in Title 26 U.S.C. Sec. 32; and

19 ~~((c) [An individual who] Who properly))~~ (B) Properly files a
20 federal income tax return as a Washington resident, and has been a

1 resident of the state of Washington more than one hundred eighty days
2 of the year for which the exemption is claimed.

3 (ii) "Eligible low-income person" also means an individual who:

4 (A) Meets the requirements provided in (a)(i)(B) of this
5 subsection; and

6 (B) Would otherwise qualify for the credit provided in Title 26
7 U.S.C. Sec. 32 except for the fact that the individual filed a
8 federal tax return in the prior year using an individual taxpayer
9 identification number in lieu of a social security number.

10 (b) "Individual" means an individual and that individual's spouse
11 if they file a federal joint income tax return.

12 (3)(a) For remittances made in 2009 and 2010, the working
13 families' tax exemption for the prior year is a retail sales tax
14 exemption equal to the greater of five percent of the credit granted
15 as a result of Title 26 U.S.C. Sec. 32 in the most recent year for
16 which data is available or twenty-five dollars.

17 (b) For 2011 and thereafter, the working families' tax exemption
18 for the prior year is:

19 (i) For eligible low-income persons as defined in subsection
20 (2)(a)(i) of this section, equal to the greater of ten percent of the
21 credit granted as a result of Title 26 U.S.C. Sec. 32 in the most
22 recent year for which data is available or fifty dollars;

23 (ii) For eligible low-income persons as defined in subsection
24 (2)(a)(ii) of this section, equal to the greater of fifty dollars or
25 ten percent of the amount of the credit that would have been granted
26 to the individual as a result of Title 26 U.S.C. Sec. 32 if the
27 individual had qualified for the credit.

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

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

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

39 (b) Application shall be made to the department in a form and
40 manner determined by the department, but the department must provide

1 alternative filing methods for applicants who do not have access to
2 electronic filing.

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

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

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

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

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

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

27 (7) The department may adopt rules necessary to implement this
28 section.

29 (8) The department shall limit its costs for the exemption
30 program to the initial start-up costs to implement the program. The
31 state omnibus appropriations act shall specify funding to be used for
32 the ongoing administrative costs of the program. These ongoing
33 administrative costs include, but are not limited to, costs for: The
34 processing of internet and mail applications, verification of
35 application claims, compliance and collections, additional full-time
36 employees at the department's call center, processing warrants,
37 updating printed materials and web information, media advertising,
38 and support and maintenance of computer systems.

1 NEW SECTION. **Sec. 2.** The provisions of RCW 82.32.805 and
2 82.32.808 do not apply to this act.

3 NEW SECTION. **Sec. 3.** This act takes effect October 1, 2021.

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