

Administrative Provisions

Final revised version of the City model ordinance (Administrative Provisions) for business & occupation tax. Dated September 2019.

CHAPTER ____ Administrative Provisions For _____ Taxes

.010 Purpose.

CITIES WILL INSERT PURPOSE LANGUAGE

.015 Application of chapter stated. The provisions of this chapter shall apply with respect to the taxes imposed under chapters _____ and under other titles, chapters, and sections in such manner and to such extent as indicated in each such title, chapter or section.

.020 Definitions. For purposes of this chapter:

The definitions contained in chapter _____ (tax portion of model ordinance) shall apply equally to the provisions of this chapter unless the term is defined otherwise in this chapter. In addition, the following definitions will apply.

"Reporting period." "Reporting period" means:

- (1) A one-month period beginning the first day of each calendar month (monthly); or
- (2) A three-month period beginning the first day of January, April, July or October of each year (quarterly); or
- (3) A twelve-month period beginning the first day of January of each year (annual).

"Return." "Return" means any document a person is required by the City to file to satisfy or establish a tax or fee obligation that is administered or collected by the City and that has a statutorily defined due date.

"Successor." "Successor" means any person to whom a taxpayer quitting, selling out, exchanging, or disposing of a business sells or otherwise conveys, directly or indirectly, in bulk and not in the ordinary course of the taxpayer's business, any part of the materials, supplies, merchandise, inventory, fixtures, or equipment of the taxpayer. Any person obligated to fulfill the terms of a contract shall be deemed a successor to any contractor defaulting in the performance of any contract as to which such person is a surety or guarantor.

"Tax year," "taxable year." "Tax year" or "taxable year" means the calendar year.

.021 Definitions -- References to Chapter 82.32 RCW

Where provisions of Chapter 82.32 RCW are incorporated in _____ **[insert city code reference to section .090]** of this Title, "Department" as used in the RCW shall refer to the "Director" as defined in _____ **[insert city code reference to section .030 of the model ordinance – some cities may need to add definition to their .030 provisions from the guidelines]** and "warrant" as used in the RCW shall mean "citation or criminal complaint."

.025 Registration/license requirements.

CITIES WILL INSERT REGISTRATION/LICENSE REQUIREMENTS LANGUAGE

.030 Registration/license certificates.

CITIES WILL INSERT THEIR OWN REGISTRATION/LICENSES CERTIFICATE LANGUAGE.

.040 When due and payable – Reporting periods – Monthly, quarterly, and annual returns – Threshold provisions or Relief from filing requirements – Computing time periods – Failure to file returns.

- (1) Other than any annual license fee or registration fee assessed under this chapter, the tax imposed by this chapter shall be due and payable in quarterly installments. At the Director's discretion, businesses may be assigned to a monthly or annual reporting period depending on the tax amount owing or type of tax. Until December 31, 2020, tax payments are due on or before the last day of the next month following the end of the assigned reporting period covered by the return. Effective January 1, 2021, tax payments

are due on or before the time as provided in RCW 82.32.045 (1), (2), and (3). **(Subsection (1) is mandatory)**

- (2) Taxes shall be paid as provided in this chapter and accompanied by a return on forms as prescribed by the Director. The return shall be signed by the taxpayer personally or by a responsible officer or agent of the taxpayer. The individual signing the return shall swear or affirm that the information in the return is complete and true.
- (3) Tax returns must be filed and returned by the due date whether or not any tax is owed.
- (4) For purposes of the tax imposed by chapter (reference to tax portion of model ordinance), any person whose value of products, gross proceeds of sales, or gross income of the business, subject to tax after all allowable deductions, is equal to or less than (**1st OPTION:** Twenty Thousand Dollars (\$20,000) (or higher threshold as determined by city) in the current calendar year) **-or-** (**2nd OPTION:** Five Thousand Dollars (\$5,000) (or higher threshold as determined by the city) in the current quarter), shall file a return, declare no tax due on their return, and submit the return to the Director. The gross receipts and deduction amounts shall be entered on the tax return even though no tax may be due. **(Subsection (4) is mandatory)**
- (5) A taxpayer that commences to engage in business activity shall file a return and pay the tax or fee for the portion of the reporting period during which the taxpayer is engaged in business activity.
- (6) Except as otherwise specifically provided by any other provision of this chapter, in computing any period of days prescribed by this chapter the day of the act or event from which the designated period of time runs shall not be included. The last day of the period shall be included unless it is a Saturday, Sunday, or City or Federal legal holiday, in which case the last day of such period shall be the next succeeding day which is neither a Saturday, Sunday, or City or Federal legal holiday.
- (7) If any taxpayer fails, neglects or refuses to make a return as and when required in this chapter, the Director is authorized to determine the amount of the tax or fees payable by obtaining facts and information upon which to base the Director's estimate of the tax or fees due. Such assessment shall be deemed prima facie correct and shall be the amount of tax owed to the City by the taxpayer. The Director shall notify the taxpayer by mail of the amount of tax so determined, together with any penalty, interest, and fees due; the total of such amounts shall thereupon become immediately due and payable.

.050 Payment methods – Mailing returns or remittances – Time extension – Deposits – Recording payments – Payment must accompany return – NSF checks.

- (1) Taxes shall be paid to the Director in United States currency by bank draft, certified check, cashier's check, personal check, money order, cash, or by wire transfer or electronic payment if such wire transfer or electronic payment is authorized by the Director. If payment so received is not paid by the bank on which it is drawn, the taxpayer, by whom such payment is tendered, shall remain liable for payment of the tax and for all legal penalties, the same as if such payment had not been tendered. Acceptance of any sum by the Director shall not discharge the tax or fee due unless the amount paid is the full amount due.
- (2) A return or remittance that is transmitted to the City by United States mail shall be deemed filed or received on the date shown by the cancellation mark stamped by the Post Office upon the envelope containing it. The Director may allow electronic filing of returns or remittances from any taxpayer. A return or remittance which is transmitted to the City electronically shall be deemed filed or received according to procedures set forth by the Director.
- (3) If a written request is received prior to the due date, the Director, for good cause, may grant, in writing, additional time within which to make and file returns.
- (4) The Director shall keep full and accurate records of all funds received or refunded. The Director shall apply payments first against all penalties and interest owing, and then upon the tax, without regard to any direction of the taxpayer.
- (5) For any return not accompanied by a remittance of the tax shown to be due thereon, the taxpayer shall be deemed to have failed or refused to file a return and shall be subject to the penalties and interest provided in this chapter.
- (6) Any payment made that is returned for lack of sufficient funds or for any other reason will not be considered received until payment by certified check, money order, or cash of the original amount due, plus a "non-sufficient funds" (NSF) charge of twenty dollars (\$20.00) is received by the Director. Any license issued upon payment with a NSF check will be considered void, and shall be returned to the Director. No license shall be reissued until payment (including the twenty dollars (\$20.00) NSF fee) is received.

- (7) The Director is authorized, but not required, to mail tax return forms to taxpayers, but failure of the taxpayer to receive any such forms shall not excuse the taxpayer from filing returns and making payment of the taxes or fees, when and as due under this chapter.

.060 Records to be preserved – Examination – Estoppel to question assessment.

Every person liable for any fee or tax imposed by this chapter shall keep and preserve, for a period of five (5) years after filing a tax return, such records as may be necessary to determine the amount of any fee or tax for which the person may be liable; which records shall include copies of all federal income tax and state tax returns and reports made by the person. All books, records, papers, invoices, vendor lists, inventories, stocks of merchandise, and other data including federal income tax and state tax returns and reports shall be open for examination at any time by the Director or its duly authorized agent. Every person's business premises shall be open for inspection or examination by the Director or a duly authorized agent.

- (1) If a person does not keep the necessary books and records within the City, it shall be sufficient if such person (a) produces within the City such books and records as may be required by the Director, or (b) bears the cost of examination by the Director's agent at the place where such books and records are kept; provided that the person electing to bear such cost shall pay in advance to the Director the estimated amount thereof including round-trip fare, lodging, meals and incidental expenses, subject to adjustment upon completion of the examination.
- (2) Any person who fails, or refuses a Department request, to provide or make available records, or to allow inspection or examination of the business premises, shall be forever barred from questioning in any court action, the correctness of any assessment of taxes made by the City for any period for which such records have not been provided, made available or kept and preserved, or in respect of which inspection or examination of the business premises has been denied. The Director is authorized to determine the amount of the tax or fees payable by obtaining facts and information upon which to base the estimate of the tax or fees due. Such fee or tax assessment shall be deemed prima facie correct and shall be the amount of tax owing the City by the taxpayer. The Director shall notify the taxpayer by mail the amount of tax so determined, together with any penalty, interest, and fees due; the total of such amounts shall thereupon become immediately due and payable.

.070 Accounting methods.

- (1) A taxpayer may file tax returns in each reporting period with amounts based upon cash receipts only if the taxpayer's books of account are kept on a cash receipts basis. A taxpayer that does not regularly keep books of account on a cash receipts basis must file returns with amounts based on the accrual method.
- (2) The taxes imposed and the returns required hereunder shall be upon a calendar year basis.

.080 Public work contracts – Payment of fee and tax before final payment for work.

The Director may, before issuing any final payment to any person performing any public work contract for the City, require such person to pay in full all license fees or taxes due under this title from such person on account of such contract or otherwise, and may require such taxpayer to file with the Director a verified list of all subcontractors supplying labor and/or materials to the person in connection with said public work.

.090 Underpayment of tax, interest, or penalty – Interest.

- (1) If, upon examination of any returns, or from other information obtained by the Director, it appears that a tax or penalty less than that properly due has been paid, the Director shall assess the additional amount found to be due and shall add thereto interest on the tax only. The Director shall notify the person by mail of the additional amount, which shall become due and shall be paid within thirty (30) days from the date of the notice, or within such time as the Director may provide in writing.
- (2)
- a) **CITIES WILL INSERT LANGUAGE IN THIS SUBSECTION FOR INTEREST DUE FOR PERIODS PRIOR TO EFFECTIVE DATE OF THE 2004 ORDINANCE.**
 - b) For tax periods after December 31, 2004 the Director shall compute interest in accordance with RCW 82.32.050 as it now exists or as it may be amended.
 - c) If _____[insert city code reference to .090 2(b)] is held to be invalid, then the provisions of RCW 82.32.050 existing at the effective date of this ordinance shall apply. **(Mandatory)**

Legislative intent information

Cities have interpreted RCW 35.102 interest provisions to apply prospectively to tax periods after the effective date of the model ordinance. For taxes and interest due for tax periods prior to the effective date of the 2004 ordinance, the cities will apply interest provisions from their own code in effect during that tax period. Subsection (b) permanently links statute to RCW to incorporate 2006 changes and any future changes.

.095 Time in which assessment may be made.

The Director shall not assess, or correct an assessment for, additional taxes, penalties, or interest due more than four years after the close of the calendar year in which they were incurred, except that the Director may issue an assessment:

- (1) Against a person who is not currently registered or licensed or has not filed a tax return as required by this chapter for taxes due within the period commencing 10 years prior to the close of the calendar year in which the person was contacted in writing by the Director;
- (2) Against a person that has committed fraud or who misrepresented a material fact; or
- (3) Against a person that has executed a written waiver of such limitations.

.100 Over payment of tax, penalty, or interest – Credit or refund – Interest rate – Statute of limitations.

- (1) If, upon receipt of an application for a refund, or during an audit or examination of the taxpayer's records and tax returns, the Director determines that the amount of tax, penalty, or interest paid is in excess of that properly due, the excess amount shall be credited to the taxpayer's account or shall be refunded to the taxpayer. Except as provided in subsection (2) of this section, no refund or credit shall be made for taxes, penalties, or interest paid more than four (4) years prior to the beginning of the calendar year in which the refund application is made or examination of records is completed.
- (2) The execution of a written waiver shall extend the time for applying for, or making a refund or credit of any taxes paid during, or attributable to, the years covered by the waiver if, prior to the expiration of the waiver period, an application for refund of such taxes is made by the taxpayer or the Director discovers that a refund or credit is due.
- (3) Refunds shall be made by means of vouchers approved by the Director and by the issuance of a City check or warrants drawn upon and payable from such funds as the City may provide.
- (4) Any final judgment for which a recovery is granted by any court of competent jurisdiction for tax, penalties, interest, or costs paid by any person shall be paid in the same manner, as provided in subsection (3) of this section, upon the filing with the Director a certified copy of the order or judgment of the court.
- (5)
 - a) **CITY WILL INSERT REFUND INTEREST LANGUAGE COVERING PERIODS PRIOR TO THE ORDINANCE EFFECTIVE DATE HERE.**
 - b) For tax periods after December 31, 2004 the Director shall compute interest on refunds or credits of amounts paid or other recovery allowed a taxpayer in accordance with RCW 82.32.060 as it now exists or as it may be amended.
 - c) If _____[insert city code reference to .100(5)(b)] is held to be invalid, then the provisions of RCW 82.32.060 existing at the effective date of this ordinance shall apply **(Mandatory)**

Legislative intent information

Cities have interpreted RCW 35.102 refund interest provisions to apply prospectively to tax periods after the effective date of the model ordinance. For refund interest due for tax periods prior to the effective date of the 2004 ordinance, the cities will apply refund interest provisions from their own code in effect during that tax period. Subsection (b) permanently links statute to RCW to incorporate 2006 changes and any future changes.

.110 Late payment – Disregard of written instructions – Evasion – Penalties.

- (1) If payment of any tax due on a return to be filed by a taxpayer is not received by the Director by the due date, the Director shall add a penalty in accordance with RCW 82.32.090(1), as it now exists or as it may be amended.
- (2) If the Director determines that any tax has been substantially underpaid as defined in RCW 82.32.090(2), there shall be added a penalty in accordance with RCW 82.32.090(2), as it now exists or as it may be amended.

- (3) If a citation or criminal complaint is issued by the Director for the collection of taxes, fees, assessments, interest or penalties, there shall be added thereto a penalty in accordance with RCW 82.32.090(3), as it now exists or as it may be amended.
- (4) If the Director finds that a person has engaged in any business or performed any act upon which a tax is imposed under this title and that person has not obtained from the Director a license as required by _____, the Director shall impose a penalty in accordance with RCW 82.32.090(4), as it now exists or as it may be amended. No penalty shall be imposed under this subsection (4) if the person who has engaged in business without a license obtains a license prior to being notified by the Director of the need to be licensed.
- (5) If the Director determines that all or any part of a deficiency resulted from the taxpayer's failure to follow specific written tax reporting instructions, there shall be assessed a penalty in accordance with RCW 82.32.090(5), as it now exists or as it may be amended.
- (6) If the Director finds that all or any part of the deficiency resulted from an intent to evade the tax payable, the Director shall assess a penalty in accordance with RCW 82.32.090(6), as it now exists or as it may be amended.
- (7) The penalties imposed under subsections (1) through (5) above of this section can each be imposed on the same tax found to be due. This subsection does not prohibit or restrict the application of other penalties authorized by law.
- (8) The Director shall not impose both the evasion penalty and the penalty for disregarding specific written instructions on the same tax found to be due.
- (9) For the purposes of this section, "return" means any document a person is required by the City of _____ to file to satisfy or establish a tax or fee obligation that is administered or collected by the City, and that has a statutorily defined due date.
- (10) If incorporation into the City of _____ code of future changes to RCW 82.32.090 is deemed invalid, then the provisions of RCW 82.32.090 existing at the time this ordinance is effective shall apply.

(Mandatory)

.120 Cancellation of penalties.

- (1) The Director may cancel any penalties imposed under subsections .110 (1) if the taxpayer shows that its failure to timely file or pay the tax was due to reasonable cause and not willful neglect. Willful neglect is presumed unless the taxpayer shows that it exercised ordinary business care and prudence in making arrangements to file the return and pay the tax but was, nevertheless, due to circumstances beyond the taxpayer's control, unable to file or pay by the due date. The Director has no authority to cancel any other penalties or to cancel penalties for any other reason except as provided in subsection (3).
- (2) A request for cancellation of penalties must be received by the Director within 30 days after the date the Department mails the notice that the penalties are due. The request must be in writing and contain competent proof of all pertinent facts supporting a reasonable cause determination. In all cases the burden of proving the facts rests upon the taxpayer.
- (3) The Director may cancel the penalties in subsections .110 (1) one time if a person:
 - (a) Is not currently licensed and filing returns,
 - (b) Was unaware of its responsibility to file and pay tax, and
 - (c) Obtained business licenses and filed past due tax returns within 30 days after being notified by the Department.
- (4) The Director shall not cancel any interest charged upon amounts due.

.130 Taxpayer quitting business – Liability of successor.

- (1) Whenever any taxpayer quits business, sells out, exchanges, or otherwise disposes of his business or his stock of goods, any tax payable hereunder shall become immediately due and payable. Such taxpayer shall, within ten (10) days thereafter, make a return and pay the tax due.
- (2) Any person who becomes a successor shall become liable for the full amount of any tax owing. The successor shall withhold from the purchase price a sum sufficient to pay any tax due to the city from the taxpayer until such time as: a) the taxpayer shall produce a receipt from the City showing payment in full of any tax due or a certificate that no tax is due, or b) more than six (6) months has passed since the successor notified the Director of the acquisition and the Director has not issued and notified the successor of an assessment.

- (3) Payment of the tax by the successor shall, to the extent thereof, be deemed a payment upon the purchase price. If such payment is greater in amount than the purchase price, the amount of the difference shall become a debt due such successor from the taxpayer.
- (4) Notwithstanding the above, if a successor gives written notice to the Director of the acquisition, and the Department does not within six (6) months of the date it received the notice issue an assessment against the taxpayer and mail a copy of that assessment to the successor, the successor shall not be liable for the tax.

THE FOLLOWING ARE SUGGESTED APPEAL PROCEDURES. INDIVIDUAL CITIES MAY ADOPT PROVISIONS SIMILAR TO THESE OR DEVELOP THEIR OWN PROCEDURES (WE ENCOURAGE CITIES TO CHECK WITH OTHER CITIES AND THE RCW):

.140 Administrative Appeal.

Any person, except one who has failed to comply with section .060, aggrieved by the amount of the fee or tax determined by the Director to be required under the provisions of this chapter may [Optional pay the amount due and] appeal from such determination by filing a written notice of appeal with the _____ (City Clerk, Hearing Examiner, City Council, etc) within 30 days from the date written notice of such amount was mailed to the taxpayer. **[NOTE: The option language above allows the city to demand payment of the amount assessed before any appeal process. If the option is not used, then payment cannot be demanded before the administrative appeal process is completed]** [This following sentence is also Optional if you have a filing fee that must be paid before a person can make an administrative appeal-- A \$_____ filing fee shall be submitted with the appeal, which filing fee is required to process the appeal.] The (***city official charged with hearing appeals***) shall, as soon as practical, fix a time and place for the hearing of such appeal, and shall cause a notice of the time and place thereof to be delivered or mailed to the parties. The hearing shall be conducted in accord with the provisions of (***applicable city ordinance***). The decision of the (***city official charged with hearing appeals***) shall indicate the correct amount of the fee or tax owing.

.150 Judicial Review of Administrative Appeal Decision. [NOTE: This option is used if the hearing examiner's (or other official charged with hearing appeals) review is used to establish the facts of the case and the court reviews the hearing examiner's (or other official charged with hearing the appeal), determination, rather than the Director's determination.]

The taxpayer or the City may obtain judicial review of the (***city official charged with hearing appeals***)'s administrative decision by applying for a Writ of Review in the _____ County Superior Court within ____ days from the date of the (***city official charged with hearing appeals***)'s decision in accordance with the procedure set forth in Chapter 7.16 RCW, other applicable law, and court rules. The City shall have the same right of review from the administrative decision as does a taxpayer.

.150 Judicial Review of Director's Determination. [NOTE: This option is used if the (*official charged with hearing appeals*)'s determination does not establish the record and either the city or the taxpayer wants to conduct a trial and establish the facts of the case at the Superior Court level. This option in turn is broken down into two more options based on whether or not the taxpayer must exhaust the right of an administrative appeal prior to going to court.]

[Option A-taxpayer has to exhaust]. Any person, except one who has failed to comply with section .060, having paid any tax as required and feeling aggrieved by the amount of the tax assessed, and after first exhausting the right of administrative appeal set forth in this chapter, may seek judicial review in the _____ County Superior Court within 21 days of the date of the decision of the (***city official charged with hearing appeals***). The taxpayer shall set forth the amount of the tax imposed upon the taxpayer that the taxpayer concedes to be the correct amount of tax and the reason why the tax imposed should be reduced or abated. The trial in the Superior Court shall be de novo in accordance with the laws of the State of Washington. The burden shall rest upon the taxpayer to prove that the tax paid by the taxpayer is incorrect, either in whole or in part, and to establish the correct amount of the tax.

[Option B-does not have to exhaust]. Any person, except one who has failed to comply with section .060, having paid any tax as required and feeling aggrieved by the amount of the tax assessed, may seek judicial review in the _____ County Superior Court within 21 days of the date of the written notice of the Director's determination. The taxpayer shall set forth the amount of the tax imposed upon the taxpayer that the taxpayer concedes to be the correct amount of tax and the reason why the tax imposed should be reduced or abated.

The trial in the Superior Court shall be de novo in accordance with the laws of the State of Washington. The burden shall rest upon the taxpayer to prove that the tax paid by the taxpayer is incorrect, either in the whole or in part, and to establish the correct amount of the tax.

.160 Director to make rules.

The Director shall have the power, from time to time, to adopt, publish and enforce rules and regulations not inconsistent with this chapter or with law for the purpose of carrying out the provisions of this chapter and it shall be unlawful to violate or fail to comply with, any such rule or regulation.

.170 Ancillary allocation authority of Director.

The Director is authorized to enter into agreements with other Washington cities which impose an "eligible gross receipts tax":

- (1) To conduct an audit or joint audit of a taxpayer by using an auditor employed by the City of _____, another city, or a contract auditor, provided, that such contract auditor's pay is not in any way based upon the amount of tax assessed;
- (2) To allocate or apportion in a manner that fairly reflects the gross receipts earned from activities conducted within the respective cities the gross proceeds of sales, gross receipts, or gross income of the business, or taxes due from any person that is required to pay an eligible gross receipts tax to more than one Washington city.
- (3) To apply the City's tax prospectively where a taxpayer has no office or place of business within the City and has paid tax on all gross income to another Washington city where the taxpayer is located; provided that the other city maintains an eligible gross receipts tax, and the income was not derived from contracts with the City.

.180 Mailing of Notices.

Any notice required by this chapter to be mailed to any taxpayer or licensee shall be sent by ordinary mail, addressed to the address of the taxpayer or licensee as shown by the records of the Director. Failure of the taxpayer or licensee to receive any such mailed notice shall not release the taxpayer or licensee from any tax, fee, interest, or any penalties thereon, nor shall such failure operate to extend any time limit set by the provisions of this chapter. It is the responsibility of the taxpayer to inform the Director in writing about a change in the taxpayer's address.

.190 Tax declared additional.

The license fee and tax herein levied shall be additional to any license fee or tax imposed or levied under any law or any other ordinance of the City of _____ except as herein otherwise expressly provided.

.200 Public disclosure – Confidentiality – Information sharing.

EACH CITY MAY ADOPT PROVISIONS OF 82.32.330 TO ADDRESS CONFIDENTIALITY OF TAX INFORMATION UNDER PUBLIC DISCLOSURE (RCW 35.102.145):

- 1) For purposes of this section, defined terms shall be as set forth in [City's generally applicable definitions section]:
 - a) "Disclose" means to make known to any person in any manner whatever a return or tax information.
 - b) "Tax information" means:
 - i) A taxpayer's identity;
 - ii) The nature, source, or amount of the taxpayer's income, payments, receipts, deductions, exemption, credits, assets, liability, net worth, tax liability deficiencies, over assessments, or tax payments, whether taken from the taxpayer's books and records or any other source;
 - iii) Whether the taxpayer's return was, is being, or will be examined or subject to other investigation or processing; or
 - iv) Other data received by, recorded by, prepared by, or provided to the City with respect to the determination or the existence, or possible existence, of liability, or the amount thereof, of a person under the [City's tax code] for a tax, penalty, interest, fine, forfeiture, or other imposition, or offense. However, data, material, or documents that do not disclose information related to a specific or identifiable taxpayer do not constitute tax information under this section. Nothing in this chapter requires any person possessing data, material, or documents made confidential

and privileged by this section to delete information from such data, material or documents so as to permit its disclosure.

- c) "City agency" means every City office, department, division, bureau, board, commission, or other City agency.
 - d) "Taxpayer identity" means the taxpayer's name, address, telephone number, registration number, or any combination thereof, or any other information disclosing the identity of the taxpayer.
- 2) Returns and tax information are confidential and privileged, and except as authorized by this section, neither the Director nor any other person may disclose any return or tax information.
 - 3) This section does not prohibit the Director from:
 - a) Disclosing such return or tax information in a civil or criminal judicial proceeding or an administrative proceeding:
 - i) In respect of any tax imposed under [City's tax code] if the taxpayer or its officer or other person liable under this title is a party in the proceeding; or
 - ii) In which the taxpayer about whom such return or tax information is sought and another state agency are adverse parties in the proceeding.
 - b) Disclosing, subject to such requirements and conditions as the Director prescribes by rules adopted pursuant to [city code reference to Model ordinance admin provisions section .160], such return or tax information regarding a taxpayer to such taxpayer or to such person or persons as that taxpayer may designate in a request for, or consent to, such disclosure, or to any other person, at the taxpayer's request, to the extent necessary to comply with a request for information or assistance made by the taxpayer to such other person. However, tax information not received from the taxpayer must not be so disclosed if the director determines that such disclosure would compromise any investigation or litigation by any federal, state, or local government agency in connection with the civil or criminal liability of the taxpayer or another person, or that such disclosure would identify a confidential informant, or that such disclosure is contrary to any agreement entered into by the department that provides for the reciprocal exchange of information with other government agencies which agreement requires confidentiality with respect to such information unless such information is required to be disclosed to the taxpayer by the order of any court;
 - c) Publishing statistics so classified as to prevent the identification of particular returns or reports or items thereof;
 - d) Disclosing such return or tax information, for official purposes only, to the mayor or city attorney, or to any City agency, or to any member of the city council or their authorized designees dealing with matters of taxation, revenue, trade, commerce, the control of industry or the professions;
 - e) Permitting the City's records to be audited and examined by the proper state officer, his or her agents and employees;
 - f) Disclosing any such return or tax information to a peace officer as defined in RCW 9A.04.110 or county prosecuting attorney, for official purposes. The disclosure may be made only in response to a search warrant, subpoena, or other court order, unless the disclosure is for the purpose of criminal tax enforcement. A peace officer or county prosecuting attorney who receives the return or tax information may disclose that return or tax information only for use in the investigation and a related court proceeding, or in the court proceeding for which the return or tax information originally was sought or where otherwise allowed to be disclosed under this Section;
 - g) Disclosing any such return or tax information to the proper officer of the internal revenue service of the United States, the Canadian government or provincial governments of Canada, or to the proper officer of the tax department of any state or city or town or county, for official purposes, but only if the statutes of the United States, Canada or its provincial governments, or of such other state or city or town or county, as the case may be, grants substantially similar privileges to the proper officers of the City;
 - h) Disclosing any such return or tax information to the United States department of justice, including the bureau of alcohol, tobacco, firearms and explosives, the department of defense, the immigration and customs enforcement and the customs and border protection agencies of the United States department of homeland security, the United States coast guard, the alcohol and tobacco tax and trade bureau of the United States department of treasury, and the United States department of transportation, or any authorized representative of these federal agencies or their successors, for official purposes;

- i) Publishing or otherwise disclosing the text of a written determination designated by the director as a precedent pursuant to RCW 82.32.410;
- j) Disclosing, in a manner that is not associated with other tax information, the taxpayer name, entity type, business address, mailing address, revenue tax registration numbers and the active/closed status of such registrations, state or local business license registration identification and the active/closed status and effective dates of such licenses, reseller permit numbers and the expiration date and status of such permits, North American industry classification system or standard industrial classification code of a taxpayer, and the dates of opening and closing of business. Except that this subsection may not be construed as giving authority to the City or any recipient to give, sell, or provide access to any list of taxpayers for any commercial purpose;
- k) Disclosing such return or tax information that is also maintained by another Washington state or local governmental agency as a public record available for inspection and copying under the provisions of chapter 42.56 RCW or is a document maintained by a court of record and is not otherwise prohibited from disclosure;
- l) Disclosing such return or tax information to the United States department of agriculture, or successor department or agency, for the limited purpose of investigating food stamp fraud by retailers;
- m) Disclosing to a financial institution, escrow company, or title company, in connection with specific real property that is the subject of a real estate transaction, current amounts due the City for a filed tax warrant, judgment, or lien against the real property;
- n) Disclosing to a person against whom the department has asserted liability as a successor under [Model ordinance section .130] return or tax information pertaining to the specific business of the taxpayer to which the person has succeeded;
- o) Disclosing real estate excise tax affidavit forms filed under [City's real estate excise tax code if applicable] in the possession of the City, including real estate excise tax affidavit forms for transactions exempt or otherwise not subject to tax;
- p) Disclosing such return or tax information to the court or hearing examiner in respect to the City's application for a subpoena if there is probable cause to believe that the records in possession of a third party will aid the Director in connection with its official duties under this title or a civil or criminal investigation.

4)

- a) The Director may disclose return or taxpayer information to a person under investigation or during any court or administrative proceeding against a person under investigation as provided in this subsection (4). The disclosure must be in connection with the department's official duties under this Title, or a civil or criminal investigation. The disclosure may occur only when the person under investigation and the person in possession of data, materials, or documents are parties to the return or tax information to be disclosed. The department may disclose return or tax information such as invoices, contracts, bills, statements, resale or exemption certificates, or checks. However, the department may not disclose general ledgers, sales or cash receipt journals, check registers, accounts receivable/payable ledgers, general journals, financial statements, expert's workpapers, income tax returns, state tax returns, tax return workpapers, or other similar data, materials, or documents.
- b) Before disclosure of any tax return or tax information under this subsection (4), the Director must, through written correspondence, inform the person in possession of the data, materials, or documents to be disclosed. The correspondence must clearly identify the data, materials, or documents to be disclosed. The Director may not disclose any tax return or tax information under this subsection (4) until the time period allowed in (c) of this subsection has expired or until the court has ruled on any challenge brought under (c) of this subsection.
- c) The person in possession of the data, materials, or documents to be disclosed by the department has twenty days from the receipt of the written request required under (b) of this subsection to petition the superior court of the county in which the petitioner resides for injunctive relief. The court must limit or deny the request of the Director if the court determines that:
 - i) The data, materials, or documents sought for disclosure are cumulative or duplicative, or are obtainable from some other source that is more convenient, less burdensome, or less expensive;

- ii) The production of the data, materials, or documents sought would be unduly burdensome or expensive, taking into account the needs of the department, the amount in controversy, limitations on the petitioner's resources, and the importance of the issues at stake; or
 - iii) The data, materials, or documents sought for disclosure contain trade secret information that, if disclosed, could harm the petitioner.
 - d) The Director must reimburse reasonable expenses for the production of data, materials, or documents incurred by the person in possession of the data, materials, or documents to be disclosed.
 - e) Requesting information under (b) of this subsection that may indicate that a taxpayer is under investigation does not constitute a disclosure of tax return or tax information under this section.
- 5) Service of a subpoena issued by the court or under [city code provision authorizing hearing examiner to issue subpoenas] does not constitute a disclosure of return or tax information under this section. Notwithstanding anything else to the contrary in this section, a person served with a subpoena issued by the court or under [city code provision authorizing hearing examiner to issue subpoenas] may disclose the existence or content of the subpoena to that person's legal counsel.
- 6) Any person acquiring knowledge of any return or tax information in the course of his or her employment with the City and any person acquiring knowledge of any return or tax information as provided under subsection (3) (d), (e), (f), (g), (h), (i), or (k) of this section, who discloses any such return or tax information to another person not entitled to knowledge of such return or tax information under the provisions of this section, is guilty of a misdemeanor. If the person guilty of such violation is an officer or employee of the city, such person must forfeit such office or employment and is incapable of holding any public office or employment in this city for a period of two years thereafter.

.210 Tax constitutes debt.

Any license fee or tax due and unpaid under this chapter, and all interest and penalties thereon, shall constitute a debt to the City of _____ and may be collected in the same manner as any other debt in like amount, which remedy shall be in addition to all other existing remedies.

.220 Unlawful actions – Violation – Penalties.

- 1) It shall be unlawful for any person liable for fees under this chapter (or other chapters as listed):
 - a) To violate or fail to comply with any of the provisions of this chapter or any lawful rule or regulation adopted by the Director;
 - b) To make any false statement on any license application or tax return;
 - c) To aid or abet any person in any attempt to evade payment of a license fee or tax;
 - d) To fail to appear or testify in response to a subpoena issued pursuant to _____;
 - e) To testify falsely in any investigation, audit, or proceeding conducted pursuant to this Chapter.
- 2) Violation of any of the provisions of this chapter is a gross misdemeanor. Any person convicted of a violation of this chapter may be punished by a fine not to exceed \$1,000, imprisonment not to exceed one year, or both fine and imprisonment. Penalties or punishments provided in this chapter shall be in addition to all other penalties provided by law.
- 3) Any person, or officer of a corporation, convicted of continuing to engage in business after the revocation of a license shall be guilty of a gross misdemeanor and may be punished by a fine not to exceed \$5,000, or imprisonment not to exceed one year, or both fine and imprisonment.

.230 Suspension or Revocation of business registration [license].

EACH CITY SHOULD DEVISE ITS OWN REVOCATION PROCEDURES THAT MATCH YOUR REGISTRATION AND LICENSE PROCEDURES. The following contains suggested language.

- (1) The Director, or designee, shall have the power and authority to suspend or revoke any license issued under the provisions of this _____. The Director, or designee, shall notify such licensee in writing by certified mail of the suspension or revocation of his or her license and the grounds therefor. Any license issued under this _____ may be suspended or revoked based on one or more of the following grounds:
 - (a) The license was procured by fraud or false representation of fact.
 - (b) The licensee has failed to comply with any provisions of this (title)_____.
 - (c) The licensee has failed to comply with any provisions of the (city code)_____.
 - (d) The licensee is in default in any payment of any license fee or tax under _____.
 - (e) The licensee or employee has been convicted of a crime involving the business.

- (2) Any licensee may, within ____ days from the date that the suspension or revocation notice was mailed to the licensee, appeal from such suspension or revocation by filing a written notice of appeal ("petition") setting forth the grounds therefor with the _____. A copy of the petition must be provided by the licensee to the Director and the City Attorney on or before the date the petition is filed with the (**city official charged with hearing appeals**). The hearing shall be conducted in accordance with the procedures for hearing contested cases set out in (**appropriate code provision**). The (**city official charged with hearing appeals**) shall set a date for hearing said appeal and notify the licensee by mail of the time and place of the hearing. After the hearing thereon the (**city official charged with hearing appeals**) shall, after appropriate findings of fact, and conclusions of law, affirm, modify, or overrule the suspension or revocation and reinstate the license, and may impose any terms upon the continuance of the license.

No suspension or revocation of a license issued pursuant to the provisions of this subchapter shall take effect until ____ days after the mailing of the notice thereof by the Department, and if appeal is taken as herein prescribed the suspension or revocation shall be stayed pending final action by the (**city official charged with hearing appeals**). All licenses which are suspended or revoked shall be surrendered to the City on the effective date of such suspension or revocation.

The decision of the (**city official charged with hearing appeals**) shall be final. The licensee and/or the Department may seek review of the decision by the Superior Court of Washington in and for _____ County within ____ days from the date of the decision. If review is sought as herein prescribed the suspension or revocation shall be stayed pending final action by the Superior Court.

- (3) Upon revocation of any license as provided in this subchapter no portion of the license fee shall be returned to the licensee.

.240 Closing agreement provisions. (Optional)

The Director may enter into an agreement in writing with any person relating to the liability of such person in respect of any tax imposed by any of the chapters within this title and administered by this chapter for any taxable period(s). Upon approval of such agreement, evidenced by execution thereof by the Director and the person so agreeing, the agreement shall be final and conclusive as to the tax liability or tax immunity covered thereby, and, except upon a showing of fraud or malfeasance, or misrepresentation of a material fact:

- 1) The case shall not be reopened as to the matters agreed upon, or the agreement modified, by the Director or the taxpayer, and
- 2) In any suit, action or proceeding, such agreement, or any determination, assessment, collection, payment, abatement, refund, or credit made in accordance therewith, shall not be annulled, modified, set aside, or disregarded.

.250 Charge-off of uncollectible taxes. (Optional)

The Director may charge off any tax, penalty, or interest that is owed by a taxpayer, if the Director reasonably ascertains that the cost of collecting such amounts would be greater than the total amount that is owed or likely to be collected from the taxpayer. [Charge-offs in excess of \$____ require [City Council] approval.]

Severability. If any provision of this chapter or its application to any person or circumstance is held invalid, the remainder of the chapter or the application of the provision to other persons or circumstances shall not be affected.