

Gifts of realty to minors. into an account qualifying under chapter 21.24 RCW, to the extent that such transfer constitutes a prudent transaction within the application and rules of chapter 21.24 RCW.

Construction. Sec. 17. (1) This chapter shall not be construed as providing an exclusive method for making gifts to minors.

(2) This chapter shall not repeal, amend, or modify the provisions of chapter 21.24 RCW, but shall be held to be an additional, concurrent, or alternative method of providing for gifts to minors.

Short title. Sec. 18. This chapter may be cited as the "1967 Washington gifts of realty to minors act".

Severability. Sec. 19. If any provision of this chapter, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provisions to other persons or circumstances is not affected.

Effective date. Sec. 20. The effective date of this 1967 amendatory act is July 1, 1967.

Passed the Senate April 19, 1967.

Passed the House April 18, 1967.

Approved by the Governor April 28, 1967.

CHAPTER 89.

[Engrossed Senate Bill No. 254.]

TAXATION—CREDITS—RECORDS.

AN ACT relating to revenue and taxation; amending section 26, chapter 173, Laws of 1965 extraordinary session and RCW 82.04.435; amending section 82.32.070, chapter 15, Laws of 1961 and RCW 82.32.070; amending section 82.32.210, chapter 15, Laws of 1961 and RCW 82.32.210; amending section 82.32.340, chapter 15, Laws of 1961 as amended by section 7, chapter 141, Laws of 1965 extraordinary session

and RCW 82.32.340; amending section 82.36.180, chapter 15, Laws of 1961 as amended by section 6, chapter 79, Laws of 1965 extraordinary session and RCW 82.36.180; amending section 16, chapter 22, Laws of 1963 extraordinary session and RCW 82.37.160; amending section 82.40.250, chapter 15, Laws of 1961 as amended by section 5, chapter 33, Laws of 1965 extraordinary session and RCW 82.40.250; adding a new section to chapter 15, Laws of 1961 and to chapter 82.12 RCW; declaring an emergency; and prescribing an effective date.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 26, chapter 173, Laws of 1965 extraordinary session and RCW 82.04.435 are each amended to read as follows:

RCW 82.04.435 amended.

In computing tax under this chapter there may be credited against the amount of the tax the following items:

As to persons engaging in activities defined in RCW 82.04.120 (the definition of the term "to manufacture"), an amount not to exceed the tax actually paid under chapter 82.08 RCW (Retail Sales Tax) or chapter 82.12 RCW (Use Tax) by such persons or their lessors or their contract vendors, on materials, labor and services in the construction or major improvement of buildings, structures or other improvements to real property that are essential to or an integral part of a factory, mill or manufacturing plant when such factory, mill or manufacturing plant is used or to be used in the business of manufacture for sale or commercial or industrial use of any articles, substances or commodities: *Provided*, That this credit shall be allowable only against tax payable by the manufacturer and measured by the value of products or gross proceeds of sales of articles, substances or commodities manufactured in this state: *Provided further*, That this credit shall be allowable only against any tax payable which is attributable to manufacturing

Taxation—
Business and
occupation
tax. Credits
for certain
manufacturers.

Taxation—
Business and
occupation
tax.

which involves the use of such construction or improvements: *Provided further*, That not withstanding the foregoing no tax credit claimed shall be deducted on any return until such claim has been approved by the tax commission or until ninety days after such claim has been submitted to the tax commission for approval: *And provided further*, That this credit shall not be allowable for tax paid on purchases of material, labor or services on which the supplier thereof became entitled to compensation prior to July 1, 1964.

The term "major improvement" means and includes only construction or fixtures which constitute real property which adds substantially and directly to the size or productive capacity of the factory, mill or manufacturing plant.

RCW 82.32.070
amended.

Sec. 2. Section 82.32.070, chapter 15, Laws of 1961 and RCW 82.32.070 are each amended to read as follows:

Administra-
tive proce-
dures, records
preservation—
Examination—
Estoppel.

Every person liable for any fee or tax imposed by chapters 82.04 through 82.28 shall keep and preserve, for a period of five years, suitable records as may be necessary to determine the amount of any tax for which he may be liable, which records shall include copies of all federal income tax and state tax returns and reports made by him. All his books, records, and invoices shall be open for examination at any time by the commission. In the case of an out-of-state person or concern which does not keep the necessary books and records within this state, it shall be sufficient if it produces within the state such books and records as shall be required by the commission, or permits the examination by an agent authorized or designated by the commission at the place where such books and records are kept. Any person who fails to comply with the requirements of this section shall be forever barred from

questioning, in any court action or proceedings, the correctness of any assessment of taxes made by the commission based upon any period for which such books, records, and invoices have not been so kept and preserved.

Any person claiming a credit against the tax imposed by chapter 82.04 RCW by reason of the provisions of RCW 82.04.435 shall keep and preserve until the claim has been verified or allowed by the tax commission sufficient books, records and invoices to prove the right to and amount of such claim for credit, and no such claim shall be allowed by the tax commission unless such books, records and invoices have been kept and preserved.

Sec. 3. Section 82.32.210, chapter 15, Laws of 1961 and RCW 82.32.210 are each amended to read as follows:

RCW 82.32.210 amended.

If any tax, increase, or penalty or any portion thereof is not paid within fifteen days after it becomes due, the tax commission may issue a warrant under its official seal directed to the sheriff of any county of the state, commanding him to levy upon and sell the real and/or personal property of the taxpayer found within his county, or so much thereof as may be necessary, for the payment of the amount of such warrant, together with interest thereon at the rate of one percent of the amount of such warrant for each thirty days or portion thereof after the date of such warrant, plus the cost of executing the warrant, and return the warrant to the commission and pay to it the money collected by virtue thereof within sixty days after the receipt of the warrant. If, however, the commission believes that a taxpayer is about to cease business, leave the state, or remove or dissipate the assets out of which taxes or penalties might be satisfied and that any tax or penalty will not be paid when due, it may

Taxation—Administrative procedures.
Tax warrant—Levy upon property—Revocation of certificate of registration.

Taxation—Ad-
ministrative
procedures.
Tax warrant—
Levy upon
property—
Revocation of
certificate of
registration.

declare the tax or penalty to be immediately due and payable and may issue a warrant immediately.

If any warrant issued under this chapter is not paid within thirty days after it has been filed with the clerk of the superior court, or if any taxpayer shall, for three consecutive reporting periods, be delinquent in the transmission to the commission of retail sales tax collected by him, the tax commission may by order issued under its official seal, revoke the certificate of registration of the taxpayer against whom the warrant was issued, and, if such order is entered, a copy thereof shall be posted in a conspicuous place at the main entrance to the taxpayer's place of business and shall remain posted until such time as the warrant has been paid. Any certificate so revoked shall not be reinstated, nor shall a new certificate of registration be issued to the taxpayer, until the amount due on the warrant has been paid, or provisions for payment satisfactory to the commission have been entered, and until the taxpayer has deposited with the commission such security for payment of any taxes, increases, and penalties, due or which may become due in an amount and under such terms and conditions as the commission may require, but the amount of the security shall not be greater than one-half the estimated average annual liability of the taxpayer.

RCW 82.32.340
amended.

Sec. 4. Section 82.32.340, chapter 15, Laws of 1961 as amended by section 7, chapter 141, Laws of 1965 extraordinary session and RCW 82.32.340 are each amended to read as follows:

Chargeoff of
uncollected
taxes—De-
struction of
files and rec-
ords.

Any tax or penalty which the tax commission deems to be uncollectible, may be transferred from accounts receivable, subject to approval by the director of budget, to a suspense account and cease to be accounted an asset: *Provided*, That any item transferred shall continue to be a debt due the state

from the taxpayer and may at any time within twelve years from the filing of a warrant covering such amount with the clerk of the superior court be transferred back to accounts receivable for the purpose of collection: *Provided further*, The commission may charge off as finally uncollectible any tax or penalty which it deems uncollectible at any time after twelve years from the date of the filing of a warrant covering such tax and penalty with the clerk of the superior court after the commission and the attorney general are satisfied that there are no available and lawful means by which such tax or penalty may thereafter be collected.

After any tax or penalty has been charged off as finally uncollectible under the provisions of this section, the commission may destroy any or all files and records pertaining to the liability of any taxpayer for such tax or penalty.

The commission, subject to the approval of the state records committee, may at the expiration of five years after the close of any taxable year, destroy any or all files and records pertaining to the tax liability of any taxpayer for such taxable year, who has fully paid all taxes, penalties and interest for such taxable year, or any preceding taxable year for which such taxes, penalties and interest have been fully paid. In the event that such files and records are reproduced on film pursuant to RCW 40.20.020 for use in accordance with RCW 40.20.030, the original files and records may be destroyed immediately after reproduction and such reproductions may be destroyed at the expiration of the above five year period, subject to the approval of the state records committee.

Sec. 5. There is added to chapter 15, Laws of 1961 and to chapter 82.12 RCW a new section to read as follows: New section.

Taxation—
Credit on use
tax for sales
or use tax
paid to other
state.

A credit shall be allowed against the taxes imposed by this chapter upon the use of tangible personal property in this state in the amount that the present user thereof or his bailor or donor has paid a retail sales or use tax with respect to such property to any other state, political subdivision thereof, or the District of Columbia, prior to the use of such property in this state.

RCW 82.36.180
amended.

Sec. 6. Section 82.36.180, chapter 15, Laws of 1961, as amended by section 6, chapter 79, Laws of 1965 extraordinary session, and RCW 82.36.180, are each amended to read as follows:

Motor vehicle
fuel taxes—
Examinations
and investiga-
tions.

The director, or his duly authorized agents, may make such examinations of the records, stocks, facilities, and equipment of distributors, producers, brokers, and service stations, and such other investigations as he may deem necessary in carrying out the provisions of this chapter. If such examinations or investigations disclose that any reports of distributors of motor vehicle fuel theretofore filed with the director pursuant to the requirements of this chapter have shown incorrectly the gallonage of motor vehicle fuel distributed or the tax accruing thereon, the director may make such changes in subsequent reports and payments of such distributors as he may deem necessary to correct the errors disclosed.

Every such distributor or such other person not maintaining records in this state so that an audit of such records may be made by the director or his duly authorized representative shall be required to make the necessary records available to the director at his request and at his designated office within this state; or, in lieu thereof, the director or his duly authorized representative shall proceed to any out-of-state office at which the records are prepared and maintained to make such examination.

Sec. 7. Section 16, chapter 22, Laws of 1963 extraordinary session, and RCW 82.37.160 are each amended to read as follows:

RCW 82.37.160 amended.

The director or his duly authorized representative may examine, during the usual business hours of the day, the books, records, papers, and equipment of any motor carrier and investigate the disposition which any such carrier or other person makes of fuel to determine whether the tax imposed by this act has been paid.

Motor vehicle fuel importers tax—Examinations and investigations.

Every such motor vehicle fuel importer for use not maintaining records in this state so that an audit of such records may be made by the director or his duly authorized representative shall be required to make the necessary records available to the director at his request and at his designated office within this state; or, in lieu thereof, the director or his duly authorized representative shall proceed to any out-of-state office at which the records are prepared and maintained to make such examination.

Sec. 8. Section 82.40.250, chapter 15, Laws of 1961, as amended by section 5, chapter 33, Laws of 1965 extraordinary session, and RCW 82.40.250 are each amended to read as follows:

RCW 82.40.250 amended.

Every user and every person selling, distributing, storing, transporting, or otherwise handling fuel shall maintain and keep for a period of not less than three years such records, receipts, invoices, and other pertinent papers as the director may require.

Every person required to remit the tax on fuel delivered into noncommercial passenger vehicles shall be subject to the same penalties imposed upon users. The director shall pursue against such persons the same procedure and remedies for audit, adjustment, collection, and enforcement of this chapter as is provided with respect to users.

Use fuel tax—Records to be kept—Examinations and investigations—Enforcement.

The director may examine during normal business hours the books, papers, records, and equip-

Use fuel tax—
Records to be
kept—Exam-
inations and
investigations
—Enforce-
ment.

ment of any user or of any person selling, distributing, storing, transporting, or otherwise handling fuel and investigate the character of the disposition which any such user or such other person makes of fuel in order to determine whether all taxes due hereunder are being properly reported and paid.

Every such user or such other person not maintaining records in this state so that an audit of such records may be made by the director or his duly authorized representative shall be required to make the necessary records available to the director at his request and at his designated office within this state; or, in lieu thereof, the director or his duly authorized representative shall proceed to any out-of-state office at which the records are prepared and maintained to make such examination.

The director is charged with the enforcement of the provisions of this chapter and may prescribe, adopt, and enforce rules and regulations relating to the administration and enforcement hereof. State patrolmen shall aid the director in the enforcement of this chapter, and, for this purpose, are declared to be peace officers, and given police power and authority throughout the state to arrest on sight any person known to have committed a violation of the provisions of this chapter.

Emergency.

Sec. 9. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect June 1, 1967.

Passed the Senate April 5, 1967.

Passed the House April 20, 1967.

Approved by the Governor April 28, 1967.