

**SB 33 A STAFF MEASURE SUMMARY**

**Carrier:** Rep. Smith Warner

**House Committee On Revenue**

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**Action Date:** 04/25/17

**Action:** Do pass with amendments. (Printed A-Eng.)

**Vote:** 9-0-0-0

**Yeas:** 9 - Barnhart, Bentz, Buehler, Hernandez, Johnson, Marsh, Nosse, Smith G, Smith Warner

**Fiscal:** No fiscal impact

**Revenue:** Has minimal revenue impact

**Prepared By:** Christine Broniak, Economist

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**WHAT THE MEASURE DOES:**

In computation by Department of Revenue of interest due on tax deficiency owed to department or refunds of tax owed by department, replaces rate based on month or partial month with annual percentage rate computed daily. Applies to tax deficiencies or refunds owing as of January 1, 2018.

**ISSUES DISCUSSED:**

- Uniformity of timing for calculating the interest on refunds of excess payments
- Capabilities of the Department of Revenue computer system

**EFFECT OF AMENDMENT:**

Changes the date at which interest begins to accrue on excess payments for the transient lodging tax and 911 tax to a period 45 days after the later of the due date of the return or the date the excess was paid.

**BACKGROUND:**

The Department of Revenue currently calculates rates on a monthly basis. This can result in small irregularities in the calculation. The measure brings the accounting practices of the Department into alignment with generally accepted accounting practices in other industries.