



RULE-MAKING ORDER

CR-103P (May 2009)
(Implements RCW 34.05.360)

Agency: Department of Revenue

Permanent Rule Only

Effective date of rule:

Permanent Rules

- 31 days after filing.
- Other (specify) **(If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)**

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

- Yes
 - No
- If Yes, explain:

Purpose:

The Department is adopting the revised rules to incorporate legislative changes, to remove outdated language, to ensure consistency with the corresponding statutes in chapter 84.12 RCW, and to more clearly explain and distinguish the annual reports from the apportionment reports, including the required information and filing deadlines.

Citation of existing rules affected by this order:

Repealed:

Amended: WAC 458-50-020 Annual reports—Duty to file; 458-50-030 Annual reports—Contents; 458-50-060 Failure to make report—Default valuation—Penalty—Estoppel; 458-50-110 Apportionment reports; and 458-50-130 Taxing district boundary changes—Estoppel.

Suspended:

Statutory authority for adoption: RCW 84.08.010 (2) and 84.12.390

Other authority :

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR **15-09-089** on **April 17, 2015**.

Describe any changes other than editing from proposed to adopted version:

No changes were made from the proposed to the adopted version.

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting: No cost-benefit analysis was prepared.

Name: _____ phone () _____
 Address: _____ fax () _____
 e-mail _____

Date adopted: June 12, 2015

NAME Dylan Waits

SIGNATURE

TITLE
Rules Coordinator

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: June 12, 2015
TIME: 2:10 PM

WSR 15-13-080

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

Federal statute:	New	Amended	Repealed
Federal rules or standards:	New	Amended	Repealed
Recently enacted state statutes:	New	Amended	Repealed

The number of sections adopted at the request of a nongovernmental entity:

New	Amended	Repealed
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The number of sections adopted in the agency's own initiative:

New	Amended	5	Repealed
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	Amended	Repealed
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The number of sections adopted using:

Negotiated rule making:	New	Amended	Repealed
Pilot rule making:	New	Amended	Repealed
Other alternative rule making:	New	Amended	Repealed

AMENDATORY SECTION (Amending Order PT 75-2, filed 3/19/75)

WAC 458-50-020 Annual reports—Duty to file. Each company doing an inter-county or interstate business in this state (~~shall~~) must make and file an annual report with the department. At the time of making such report, each company (~~shall~~) must if directed by the department also file with the department:

(1) Annual reports of the board of directors or other officers to the stockholders of the company.

(2) Duplicate copies of the annual reports made to the federal regulatory agency or agencies exercising jurisdiction over the company.

(3) Duplicate copies of the annual reports made to the Washington state utilities and transportation commission or other Washington state regulatory agency exercising jurisdiction over the company.

(4) Duplicate copies of such other annual or special reports as the department may, from time to time, direct each company to make.

AMENDATORY SECTION (Amending Order PT 75-2, filed 3/19/75)

WAC 458-50-030 Annual reports—Contents. The annual report (~~shall be made on forms furnished by the department, and shall~~) must be completed on the template furnished on the department's web site at: <http://www.dor.wa.gov>. The annual report must contain such information as is required to enable the department to determine the true and fair value of a company's operating property in the state (~~(7)~~) and the apportionment thereof to the several counties and taxing districts as part of the apportionment report discussed in WAC 458-50-110. The annual report (~~shall~~) must be signed by the president, treasurer or other responsible official of the company.

(1) In determining what types of information (~~shall be~~) are required to be included in the annual report, the department may take into account, among other factors, the necessity and worth of such information in valuing, allocating (~~(e)~~), apportioning, or assessing operating property; whether such information is of the type customarily maintained by the industry for internal accounting or regulatory agency purposes; and the cost and difficulty of obtaining or maintaining such information. The department's determination (~~shall be~~) is final, and no company (~~shall be~~) is excused from providing such information except upon a clear showing that undue hardship would result.

(2) On or before December 1st of the year preceding the calendar year to be covered by the annual report, the department (~~shall~~) must notify the companies of the types of information required to be included in the annual report for such forthcoming year (~~(: Provided, That the foregoing requirement shall not be applicable for calendar year 1975)~~).

AMENDATORY SECTION (Amending Order PT 75-2, filed 3/19/75)

WAC 458-50-060 Failure to make report—Default valuation—Penalty—Estoppel. (1) If any company fails to materially comply with the provisions of RCW 84.12.230 and WAC 458-50-020, the department will add to the assessed value a penalty of five percent for every thirty days or fraction thereof, not to exceed ten percent, that the company fails to comply.

(2) If any company, or any of its officers or agents (~~shall~~) refuses or neglects to make any report required by law or by the department, or (~~shall~~) refuses to permit an inspection and examination of its records, books, accounts, papers or property requested by the department, or (~~shall~~) refuses or neglects to appear before the department in obedience to a subpoena, the department (~~shall~~) will proceed, in such manner as it (~~may~~) deems best, to obtain facts and information upon which to base its valuation, assessment, allocation, and apportionment of such company.

(~~(2)~~) (3) Willful failure to file with the department any report required by the department within the time fixed by law, including any extension granted by the department, (~~shall~~) constitutes refusal or neglect to make a report, and the department may proceed in accordance with subsection (~~(1)~~) (2) of this rule to value, assess, allocate, and apportion the property of such company as if no report had been made.

(~~(3) Penalty.~~) (4) When the department has ascertained the assessed value of the property of such company in accordance with subsection(~~(1) or (2)~~, it shall) (2) or (3) of this rule, it must add to the assessed value so ascertained twenty-five percent as a penalty. Such penalty will be in lieu of the penalty provided for in subsection (1) of this rule.

(~~(4)~~) (5) Where the department has proceeded in accordance with subsection(~~(1) or (2)~~) (2) or (3) of this rule, such company (~~shall be~~) is estopped to question or impeach the valuation, assessment, allocation, or apportionment made by the department in any administrative or judicial proceeding thereafter.

(6) The department will waive or cancel the penalty imposed under subsection (1) of this rule for good cause shown.

(7) The department will waive or cancel the penalty imposed under subsection (1) of this rule when the circumstances under which the failure to materially comply with the provisions of RCW 84.12.230 do not qualify for waiver or cancellation under subsection (5) of this rule if:

(a) The company fully complies with the reporting provisions of RCW 84.12.230 within thirty days of the due date or any extension granted by the department; and

(b) The company has timely complied with the provisions of RCW 84.12.230 for the previous two calendar years. The requirement that a company has timely complied with the provisions of RCW 84.12.230 for the previous two calendar years is waived for any calendar year in which the company was not required to comply with the provisions of RCW 84.12.230.

AMENDATORY SECTION (Amending Order PT 75-2, filed 3/19/75)

WAC 458-50-110 Apportionment reports. (1) On or before (~~April 15 of each year~~) December 1st of the year preceding the calendar year to be covered by the apportionment report the department (~~shall~~) will furnish (~~taxing district maps and~~) apportionment report forms or make available a hyperlink on its web site where the company may provide the same information (hereinafter referred to as "apportionment reports") to each railroad, pipeline, telegraph, telephone, electric light and power, and gas company.

(2) Each company (~~furnished an apportionment report shall~~) described in subsection (1) of this rule must complete and submit such apportionment report to the department on or before June 1st of the assessment year. Since all apportionment reports must be (~~is~~) received by the (~~department's hands by~~) department no later than June 1st in order to permit adequate opportunity to properly apportion operating property in accordance with WAC 458-50-100, an extension of time for filing such reports will be granted only upon a showing of undue hardship.

(3) Apportionment reports must contain sufficient information to allow the department to identify the operating property's cost (historical or original), miles, use, and location within a county or taxing district and apportion value in accordance with WAC 458-50-100. Location may be identified by a variety of methods including, but not limited to, the tax parcel number, address, section/township/range, latitude and longitude, or geospatial coordinates.

(4) If any company, or any of its officers or agents refuses or neglects to make the apportionment report, the department will proceed, in such manner as it deems best, to obtain facts and information upon which to base its apportionment of such company in accordance with RCW 84.12.260 and WAC 458-50-060 (2), (3), and (5).

AMENDATORY SECTION (Amending Order PT 75-2, filed 3/19/75)

WAC 458-50-130 Taxing district boundary changes—Estoppel. (1) In accordance with RCW 84.09.030 and WAC 458-12-140, the county assessor is required on or before (~~March 1~~) August 31st to transmit certain documents and maps setting forth taxing district boundary changes to the department of revenue, property tax division.

(2) The department (~~shall~~) will prepare taxing district maps based upon information submitted to it on or before (~~March 1~~) August 31st. Such maps (~~shall be~~) must be used to fix taxing district boundaries for purposes of apportioning the operating property of each company among the various counties and taxing districts. Any county or taxing district not having submitted the documents and maps as required by WAC 458-12-140 (~~shall be~~) is estopped from questioning the validity of any apportionment of value to it as determined by the department to the extent that such challenge is based upon taxing district boundaries different than as shown on the department's maps.