

TIMBER TAX DISTRIBUTION- DOR REFUND FOR FEB'19-MAY'21 ADMIN COSTS

JOURNAL: JE-00014101 on 5/27/22 for -\$67,905.60

Journal Entry Lines

Company	*Fund	Program	Ledger Account	Revenue Category	Debit Amount	Credit Amount	Memo
Kitsap County	FD00565 Timber Excise Tax Reserve Suspense	82565 - Timber Tax Reserve Suspense	2370:Custodial Accounts			67,905.60	Timber tax suspense fund
Kitsap County	FD00001 General Fund	9251 - GA&O Administration	3100:Taxes	3170.40 - Timber Excise Tax	14,024.83		County Current Expense
Kitsap County	FD00108 Human Resources Board	1083 - Human Resources Board - Mental Health	3100:Taxes	3170.40 - Timber Excise Tax	452.42		County Mental Health
Kitsap County	FD00124 Veterans Relief	1241 - Veterans Relief Fund	3100:Taxes	3170.40 - Timber Excise Tax	235.26		County Veterans Relief
Kitsap County	FD00129 Conservation Futures Tax	1291 - Conservation Futures Tax	3100:Taxes	3170.40 - Timber Excise Tax	613.96		County Conservation Future
Kitsap County	FD00101 County Roads	1011 - County Road Administration	3100:Taxes	3170.40 - Timber Excise Tax	16,254.78		County Roads
Kitsap County	FD00001 General Fund	9403 - Sheriff - Traffic Division	3100:Taxes	3170.40 - Timber Excise Tax	1,821.68		County Road Tax Diver-Sheriff
City of Bainbridge	FD00695 City of Bainbridge Island General	87695 - City of Bainbridge Island	3100:Taxes	3170.40 - Timber Excise Tax	117.59		City of BI
City of Bremerton	FD00689 City of Bremerton General	87689 - Bremerton General	3100:Taxes	3170.40 - Timber Excise Tax	4,412.08		City of Brem
City of Bremerton	FD00689 City of Bremerton General	87689 - Bremerton General	3100:Taxes	3170.40 - Timber Excise Tax	1,125.40		City of Brem. EMS
City of Port Orchard	FD00691 City of Port Orchard General	87691 - Port Orchard General	3100:Taxes	3170.40 - Timber Excise Tax	91.94		City of Pt Orchard
City of Poulsbo	FD00693 City of Poulsbo General	87693 - Poulsbo General	3100:Taxes	3170.40 - Timber Excise Tax	40.61		City of Poulsbo
Port of Bremerton	FD00697 Port/Bremerton General	88697 - Port/Bremerton General	3100:Taxes	3170.40 - Timber Excise Tax	3,846.56		Pt Brem. General
Port of Brownsville	FD00701 Port/Brownsville General	88701 - Port/Brownsville General	3100:Taxes	3170.40 - Timber Excise Tax	4.92		Pt Brown. General
Port of Eglon	FD00709 Port of Eglon General	88709 - Port/Eglon General	3100:Taxes	3170.40 - Timber Excise Tax	97.10		Pt Eglon General
Port of Indianola	FD00715 Port/Indianola General	88715 - Port/Indianola General	3100:Taxes	3170.40 - Timber Excise Tax	2.05		Pt Indianola General
Port of Kingston	FD00722 Port/Kingston General	88722 - Port/Kingston General	3100:Taxes	3170.40 - Timber Excise Tax	90.93		Pt Kingston General
Port of Manchester	FD00731 Port/Manchester General	88731 - Port/Manchester General	3100:Taxes	3170.40 - Timber Excise Tax	0.62		Pt Manchester General
Port of Silverdale	FD00744 Port/Silverdale General	88744 - Port/Silverdale General	3100:Taxes	3170.40 - Timber Excise Tax	14.41		Pt Silverdale General

Company	*Fund	Program	Ledger Account	Revenue Category	Debit Amount	Credit Amount	Memo
Port of Waterman	FD00748 Port/Waterman	88748 - Port/Waterman General	3100:Taxes	3170.40 - Timber Excise Tax	4.05		Port Waterman General
Central Kitsap Fire &	FD00832 Fire 1 Expense	90832 - CK Fire Operating Expense Fund	3100:Taxes	3170.40 - Timber Excise Tax	5,557.75		Fire #1 Expense
Bainbridge Island Fire	FD00838 BI Fire Expense	90838 - Bainbridge Is Fire Dept Exp	3100:Taxes	3170.40 - Timber Excise Tax	105.55		Fire #2 Expense
South Kitsap Fire	FD00862 SK Fire Expense	90862 - South Kitsap Fire	3100:Taxes	3170.40 - Timber Excise Tax	1,714.23		Fire #7 Expense
North Kitsap Fire District	FD00874 NK Fire & Rescue Expense	90874 - North Kitsap Fire District	3100:Taxes	3170.40 - Timber Excise Tax	1,490.59		Fire #10 Expense
North Kitsap Fire District	FD00874 NK Fire & Rescue Expense	90874 - North Kitsap Fire District	3100:Taxes	3170.40 - Timber Excise Tax	721.50		Fire #10 Spec M&O
Poulsbo Fire District No.	FD00912 Poulsbo Fire 18 Expense	90912 - Fire District No. 18-Poulsbo	3100:Taxes	3170.40 - Timber Excise Tax	1,237.41		Fire #18 Expense
North Mason Regio	FD00920 N Mason Reg FA Expense	90920 - N Mason Ref FA Expense	3100:Taxes	3170.40 - Timber Excise Tax	452.28		RFANM
Central Kitsap Fire &	FD00832 Fire 1 Expense	90832 - CK Fire Operating Expense Fund	3100:Taxes	3170.40 - Timber Excise Tax	2,499.61		Fire #1 EMS
Bainbridge Island Fire	FD00838 BI Fire Expense	90838 - Bainbridge Is Fire Dept Exp	3100:Taxes	3170.40 - Timber Excise Tax	55.18		Fire #2 EMS
South Kitsap Fire	FD00862 SK Fire Expense	90862 - South Kitsap Fire	3100:Taxes	3170.40 - Timber Excise Tax	1,449.11		Fire #7 EMS
North Kitsap Fire District	FD00874 NK Fire & Rescue Expense	90874 - North Kitsap Fire District	3100:Taxes	3170.40 - Timber Excise Tax	915.29		Fire #10 EMS
Poulsbo Fire District No.	FD00912 Poulsbo Fire 18 Expense	90912 - Fire District No. 18-Poulsbo	3100:Taxes	3170.40 - Timber Excise Tax	567.76		Fire #18 EMS
North Mason Regio	FD00920 N Mason Reg FA Expense	90920 - N Mason Ref FA Expense	3100:Taxes	3170.40 - Timber Excise Tax	158.04		RFANM
Public Utility District 1	FD00943 PUD 1 General	93943 - PUD No 1 General	3100:Taxes	3170.40 - Timber Excise Tax	1,051.97		PUD General
Bainbridge Island	FD00952 BI Metro Parks General	94952 - IS Recreation General	3100:Taxes	3170.40 - Timber Excise Tax	83.43		BI Met Pks General
Village Green Metropolitan	FD00960 VGMPD General	94960 - Village Green Metropolitan Park District	3100:Taxes	3170.40 - Timber Excise Tax	99.64		VG Met Pks General
Kitsap Regional	FD00971 Kitsap Reg Library General	96971 - Regional Library General	3100:Taxes	3170.40 - Timber Excise Tax	6,495.07		KRL General

KITSAP COUNTY

	<u>DISTRIBUTIONS</u>	<u>ADMIN COSTS</u>
FEB'19	164,577.19	11,759.37
MAY'19	183,413.62	6,375.81
AUG'19	119,741.16	4,888.44
NOV'19	126,570.06	6,560.06
FEB'20	47,921.41	2,640.53
MAY'20	30,082.68	2,414.45
AUG'20	193,426.38	8,200.96
NOV'20	121,363.95	8,645.94
FEB'21	66,857.16	4,601.47
MAY'21	190,173.44	11,818.57
TOTAL	<u>1,244,127.05</u>	<u>67,905.60</u> ✓

Total Admin Cost

Adams County	-
Asotin County	(6,032.20)
Benton County	(110.78)
Chelan County	(8,173.12)
Clallam County	(227,716.56)
Clark County	(136,376.45)
Columbia County	(461.03)
Cowlitz County	(588,691.93)
Douglas County	(27.34)
Ferry County	(43,843.68)
Franklin County	-
Garfield County	(1,087.61)
Grant County	-
Grays Harbor County	(553,167.98)
Island County	(7,542.68)
Jefferson County	(146,261.10)
King County	(165,784.49)
Kitsap County	(67,905.60)
Kittitas County	(4,029.11)
Klickitat County	(144,549.84)
Lewis County	(912,304.02)
Lincoln County	(544.15)
Mason County	(200,985.76)
Okanogan County	(17,109.37)
Pacific County	(389,437.22)
Pend Oreille County	(76,347.45)
Pierce County	(213,051.12)
San Juan County	(765.97)
Skagit County	(223,445.58)
Skamania County	(152,997.49)
Snohomish County	(190,683.71)
Spokane County	(42,107.07)
Stevens County	(186,883.02)
Thurston County	(254,425.37)

Total Admin Cost

Wahkiakum County	(81,770.68)
Walla Walla County	(202.16)
Whatcom County	(109,829.92)
Whitman County	(843.48)
Yakima County	(8,156.76)
Total	(5,163,651.80) x



STATE OF WASHINGTON
DEPARTMENT OF REVENUE

June 30, 2021

Dear County Treasurer,

We highly value our partnership with the counties to administer forest taxes. In 2018, DOR launched a new tax and licensing system. Among other functions, Revenue uses this system to help collect forest tax revenue on behalf of 35 counties and distribute each counties' share of the forest tax revenue back to them.

Due to a technical issue within that new system, DOR's costs for administering the taxes have not been deducted from your county quarterly distributions since November 2018. The counties' share of those administrative costs so far has been covered by forest tax revenue collected for the state. This issue has resulted in the counties receiving additional forest tax revenue over the past several years.

Under Washington state law DOR is required to collect those costs. It is now DOR's responsibility to work with you to recoup those administration costs. We are reaching out to each of the 35 affected counties to determine the following:

- A plan that works to lessen the impact of this issue while fully recouping the over-distributed amount.
- Giving options to pay now, reduce your August 2021 revenue distribution or make regular payments to the state.
- The ability to repay the over-distributed amount for up to three years with no interest.

DOR is in the process of configuring its tax and licensing system to ensure the county administrative costs are deducted before distribution in time for the August 2021 distributions.

Please contact me by July 30, 2021 to discuss your repayment option.

Mark Longrie
Forest Tax Field Operations Manager
(253) 382-2017

Becky Stack

To: Becky Stack
Subject: FW: County Distribution - Admin Fees by Quarter

From: Becky Stack <BStack@kitsap.gov>
Sent: Tuesday, May 17, 2022 2:14 PM
To: Smith, Carmel (DOR) <CarmelS@DOR.WA.GOV>; Longrie, Mark (DOR) <MarkLo@DOR.WA.GOV>
Cc: Vickie Fick <Vfick@kitsap.gov>; Peter Boissonneau <PBoissonneau@kitsap.gov>; Meredith Green <mgreen@kitsap.gov>
Subject: FW: County Distribution - Admin Fees by Quarter

External Email

Good afternoon Carmel,
I left you a voicemail message but thought I'd follow up with this email. Thank you for the extension...we're ready to pay DOR \$67,905.60 for the Forest Tax Admin fees but we're not sure how you prefer to be paid. If you want a warrant then can I get your mailing address and if you prefer EFT then I need your banking information.

Thank you for your help! Please call me if you have any questions.

Becky Stack
Financial Analyst
Office of Kitsap County Treasurer
Phone: 360-337-4941
Email: bstack@kitsap.gov *(please note format change from @co.kitsap.wa.us)*

From: Meredith Green <mgreen@co.kitsap.wa.us>
Sent: Thursday, July 15, 2021 11:19 AM
To: Becky Stack <BStack@co.kitsap.wa.us>
Cc: Vickie Fick <Vfick@co.kitsap.wa.us>; Amber D'Amato <adamato@co.kitsap.wa.us>; Phil Cook <philcook@co.kitsap.wa.us>
Subject: Fw: County Distribution - Admin Fees by Quarter

The DOR made an error when they launched their new system in 2018, and they neglected to deduct the administrative fee from their distribution. In Kitsap's case, it is an over-distribution of \$68,000. We have up to three years to repay this amount, and they'd like to know our plan by July 30.

Unless someone objects, I plan to tell the DOR that we'll repay it when we have the workload capacity after the Workday launch. We can then figure out the simplest way to correctly distribute it.

Meredith R. Green, CPA
Treasurer
Kitsap County
614 Division, MS-32
Port Orchard, WA 98366
Phone: 360-337-7136
Email: mgreen@co.kitsap.wa.us

From: Meredith Green <mgreen@co.kitsap.wa.us>

Sent: Thursday, July 15, 2021 11:11 AM

To: Pacific County Shelly Flementis (sflemetis@co.pacific.wa.us) <sflemetis@co.pacific.wa.us>; Alishia Topper <alishia.topper@clark.wa.gov>; Amy Cziske <amy.cziske@co.kittitas.wa.us>; Arny Davis <arny.davis@lewiscountywa.gov>; Basile, Carol <Carol.Basile@kingcounty.gov>; Brian Sullivan <brian.sullivan@snoco.org>; Carla Rowe <Carla_Rowe@co.columbia.wa.us>; Chris Nelson <chris.nelson@co.whitman.wa.us>; Vickie Clelland <clelland@co.skamania.wa.us>; David Griffiths <david.griffiths@co.chelan.wa.us>; Darryl Pheasant <dphasant@grantcountywa.gov>; Debra Gardner <gardnerd@co.cowlitz.wa.us>; Gordon Heimbigner <gheimbigner@co.walla-walla.wa.us>; Greg Gallagher <gregg@klickitatcounty.org>; Holly Schiffer <hschiffer@co.asotin.wa.us>; Ilene Thomson <ilene.thomson@co.yakima.wa.us>; Jackie Brunson <jbrunson@co.skagit.wa.us>; Jeff Gadman <jeff.gadman@co.thurston.wa.us>; Jody Howard <jhoward@co.lincoln.wa.us>; Josie Koelzer <jkoelzer@co.franklin.wa.us>; Ken Albert <kalbert@co.grays-harbor.wa.us>; Kayla Meise <kaylam@co.adams.wa.us>; Kenneth Spencer <ken.spencer@co.benton.wa.us>; Lisa Frazier <emf@masoncountywa.gov>; Leah McCormack <lmccormack@co.okanogan.wa.us>; Leslie Valz <lvalz@co.stevens.wa.us>; Michael Baumgartner <mbaumgartner@spokanecounty.org>; Mike Loneragan <mlonerag@co.pierce.wa.us>; Nicole Dice <ndice@pendoreille.org>; Natalie Marx <nmarx@co.douglas.wa.us>; Renee Goodin <rgoodin@co.pacific.wa.us>; Rhonda Pederson <rhondap@sanjuanco.com>; Steve Oliver <soliver@co.whatcom.wa.us>; Stacie Prada <sprada@co.jefferson.wa.us>; Tammy Peterson <tpetersont@co.wahkiakum.wa.us>; Teresa Marchi <TMarchi@co.clallam.wa.us>; Shannon Jensen <treasurer@co.ferry.wa.us>; Tereasa Summers <tsummers@co.garfield.wa.us>; Wanda Grone <w.grone@islandcountywa.gov>

Cc: MarkLo@DOR.WA.GOV <MarkLo@DOR.WA.GOV>; Carmels@dor.wa.gov <Carmels@dor.wa.gov>

Subject: Fw: County Distribution - Admin Fees by Quarter

Dear Treasurers (with a copy to Mark Longrie of the DOR),

The attached spreadsheet shows the DOR Administrative fee by quarter. Also attached is the letter emailed/mailed to the County Treasurers last week, which I understand some of us didn't receive.

Since Kitsap is two weeks away from our Workday financial system launch, I will likely delay our small repayment until we've completed our implementation and have the bandwidth to figure out the correction. I encourage you to consider your county and districts' capacity to absorb the repayment, along with the workload the correction will take. I'm sure that we'll also have an opportunity to discuss some ideas when we're together next week (finally!) for our legislative conference.

Mark would appreciate you contacting him by July 30 to indicate your repayment preferences for the options outlined in this letter.

Regards,
Meredith

Meredith R. Green, CPA
Treasurer
Kitsap County
614 Division, MS-32
Port Orchard, WA 98366
Phone: 360-337-7136
Email: mgreen@co.kitsap.wa.us

From: Smith, Carmel (DOR) <Carmels@DOR.WA.GOV>
Sent: Thursday, July 15, 2021 10:51 AM
To: Meredith Green <mgreen@co.kitsap.wa.us>
Cc: Longrie, Mark (DOR) <MarkLo@DOR.WA.GOV>
Subject: County Distribution - Admin Fees by Quarter

Meredith,

I am attaching the county distribution break out by quarter and appreciate your sharing this with each county. There are several tabs on the attached excel workbook: the first tab is the administrative costs by quarter, the second tab is the distributions by quarter, the third tab is the Departments expenditures and the last is a summary.

I appreciate you sharing this document with all of the counties. I know several counties had reached out and asked for the detail by quarter to better match the individual quarterly distributions. With the counties wanting this breakout by quarter the administrative fee was re-evaluated the and some counties may see slight changes from what they were originally communicated. The original calculation that was provided was based on the Departments' July 1 Fiscal Year. When the administrative fee is broken out by quarter the counties portion of the administrative fees change.

Please do not hesitate to reach out or have any of the counties reach out to myself, Mark Longrie or the county distribution forester Chris Westwood with questions

Thank you for your assistance in our communication to the counties and your willingness to work with us through this very difficult situation.

Carmel

Carmel Smith
(*She/Her Pronouns*)

Regional Audit Manager | Audit

Washington State Department of Revenue / 1904 Humboldt St, Suite A | Bellingham, WA 98225
360/594-4850 | F 360/594-4888 | dor.wa.gov | Carmels@dor.wa.gov

CONFIDENTIALITY NOTICE

This e-mail may contain confidential information protected from unauthorized disclosure by the Washington Records Act (RCW 42.17.310, RCW 82.32.330 and RCW 84.08.210). The information is intended only for the use of the individual name(s) above. If you are not the intended recipient you are hereby notified that any unauthorized disclosure, copying, distributing, or the taking of action in reliance on the contents of this information is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone to arrange for return of the documents.