# New Business Tax Basics

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# Business Tax Basics

This basic tax guide is created to help you understand the Washington's tax structure. It is intended to provide an overview of the taxes that apply to various business activities in Washington state.

Washington State does not have a corporate or personal income tax. Most Washington businesses are subject to three major state taxes, which are either administered or overseen by the Department of Revenue:

1. **Business and occupation tax (B&O)**
2. **Retail sales tax**
3. **Use tax**

Other taxes may apply to your business, such as:

- Public utility tax
- Specialty taxes
- County and city taxes

**Reminder**

State tax laws change regularly. The information provided is current at the time of the publication.

**Questions**

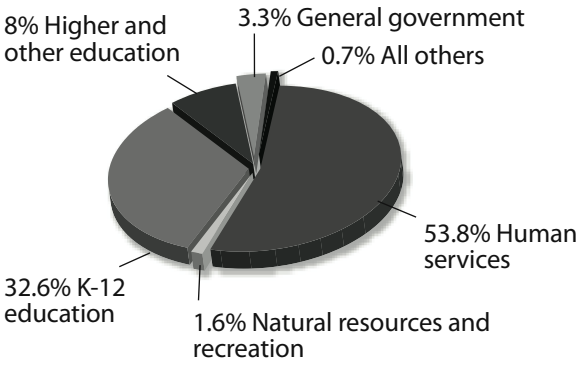
Specialists are available to answer your tax questions Monday through Friday from 8 a.m. to 5 p.m. (Wednesdays from 9 a.m. to 5 p.m.) at 1-800-647-7706.

**More services**

Information on other services and publications can be found at the back of this publication or on our website at dor.wa.gov.

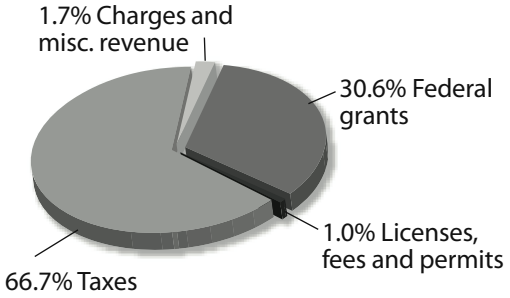
**Where the money goes**

**Expenditures: 20,300 million**




**Where the money comes from**

**Revenue: $17.3 billion**




| | |
|---|---|
| 38.5% | Retail sales/use tax |
| 12.9% | B&O tax |
| 3.1% | Other business taxes |
| 7.0% | Property tax levy |
| 3.1% | Real estate excise |
| 0.2% | Tobacco taxes |
| 0.7% | Liquor taxes |
| 1.2% | All other taxes |

# Rights and Responsibilities

**The taxpayers of the State of Washington have the right to:**

- Written explanations when tax assessments, interest, and penalties are issued.
- Reliable, written advice and reporting instructions provided by the Department specifically to the taxpayer, and to have interest, penalties, and in some instances, tax assessments waived if complying with that information worked against the taxpayer.
- Prompt administrative remedies when tax laws or rules are found to be unconstitutional by the final decision of a court of record.
- Confidentiality of their financial and business information in the Department's possession in accordance with the requirements of RCW 82.32.330.
- Clear and current tax instructions, rules, procedures, forms, and other tax information received upon request.
- Prompt and independent administrative review by the Department of a decision to revoke a tax registration, and to a written determination that either upholds the revocation or reinstates the registration.

**The taxpayers of the State of Washington have the responsibility to:**

- Register with the Department of Revenue.
- Know their tax reporting obligations, and to ask the Department for instructions when they are uncertain.
- Keep accurate and complete business records.
- File returns and pay taxes on time.
- Provide accurate information on tax returns.
- Substantiate claims for refund.
- Pay all taxes on time after closing a business, and request cancellation of the registration number.
- Respond to communications from the Department in a timely manner.

# Business and Occupation Tax

## State Business and Occupation (B&O) Tax

The state business and occupation (B&O) tax is a gross receipts tax measured on the value of products, gross proceeds of sales, or gross income of your business. The B&O tax is part of a business' operating overhead and is levied upon the person or company engaged in the business activity. ***It is not a tax imposed on the purchaser or customer***, as is the case with Washington's retail sales tax. Almost all businesses located or doing business in Washington are subject to the B&O tax, including corporations, LLCs, partnerships, sole proprietors, and nonprofit corporations.

The B&O tax is due on ***gross*** income from business conducted in the state. No expense deductions are allowed for labor, materials, taxes, or other costs of doing business, although your business may qualify for certain exemptions, deductions, or credits.

Unlike the retail sales tax, ***a sale does not have to occur for a business to owe B&O tax***. For example, if you extract or manufacture goods for your own use, you owe B&O tax.

The B&O tax rate, which is printed on the excise tax return, is based on the type of business activity. Your business can have multiple activities (classifications). You are responsible for determining which classification(s) to report your income under. If you are unsure of the classification(s), please contact us.

In addition to the major B&O tax classifications, several specific classifications exist. Some have the same B&O tax rate as the general classifications, but are reported on different lines on the return. Others have their own unique tax rates. Refer to Appendix A, page 26, for an excise tax return sample.

**B&O Tax Rates**

The most common classifications are:

| | |
|---|---|
| Retailing | .00471 |
| Wholesaling | .00484 |
| Manufacturing | .00484 |
| Service and other activities | .015 |

## Major B&O Tax Classifications

There are nearly 40 B&O tax classifications for business activities. Following are brief descriptions of four major classifications. You may also refer to the Common Business Activities Table, page 51.

**Retailing**

Businesses that sell goods and certain services to consumers are retailers. Taxable retail services include:

1. **Improving real or personal property, such as:**
   - Custom construction
   - Repairs to real or personal property
2. **Certain personal services, such as:**
   - Tanning
   - Physical fitness services and Pilates
   - Tattooing
3. **Specialized activities, such as:**
   - Lawn mowing, tree and shrub pruning, and trimming
   - Escrow services
   - Renting equipment with operators
   - Extended warranties

Businesses making retail sales are subject to the Retailing B&O tax classification, even when the sales are not subject to retail sales tax. For example, certain food products are exempt from retail sales tax, but the income from food sales is taxable under the Retailing B&O tax classification.

**Wholesaling**

Wholesalers sell goods and services to businesses who will resell them to others in the regular course of business. The B&O tax is calculated on the wholesale selling price. If you are a wholesaler, you must keep a reseller permit on file from each buyer to document the transaction as a wholesale sale. ***Do not*** send reseller permits to the Department of Revenue; they must be kept by the wholesaler.

Retail sales tax is not collected on wholesale transactions. Reseller permits are good as long as the buyer and seller do business with each other once every 12 months. A sample of a reseller permit is printed on page 31. For more information, see page 7 or refer to the reseller permit information found on our website at dor.wa.gov/resellerpermit.

**Manufacturing**

The Manufacturing B&O tax classification is used by firms that manufacture items in Washington. Manufactured products used by the manufacturer, but not sold (or used prior to sale), also are subject to B&O tax under this classification. The Manufacturing B&O tax is based on the value of the products, which is usually determined by the selling price. In cases where there is no sale, the value is the selling price of similar products. If the producer sells and delivers the manufactured product within the state, that income is also reported under the Wholesaling or Retailing B&O tax classification. However, because of the Multiple Activities Tax Credit, only one tax is due. A State of Washington Multiple Activities Tax Credit (Schedule C) must be completed to claim the credit. See page 30.

**Service and Other Activities**

This classification is for businesses that provide personal and professional services. Any business not described under a particular classification of the B&O tax must report under this *catch all* category. Types of businesses and services that fall under this category include:

- Consulting services
- Management services
- Doctors
- Lawyers
- Beauticians
- Tutors
- Janitors

If you need help figuring out your business classification, call our Telephone Information Center at 1-800-647-7706.

## Economic Nexus

Washington State has an *economic nexus* standard for businesses that report under apportionable B&O tax classifications. For these classifications, your business does not need to have a physical presence to have nexus and be subject to Washington tax.

Apportionable income is earned from engaging in the following activities:

- Service and other activities
- Royalties
- Travel agents and tour operators
- International steamship agent, international customs house broker, international freight forwarder, vessel and/or cargo charter broker in foreign commerce, and/or international air cargo agent
- Stevedoring and associated activities
- Disposing of low-level waste
- Insurance producers, title insurance agents, or surplus line brokers
- Public or nonprofit hospitals
- Real estate brokers
- Research and development performed by nonprofit corporations or associations
- Inspecting, testing, labeling, and storing canned salmon owned by another person
- Representing and performing services for fire or casualty insurance companies as an independent resident managing general agent licensed under the provisions chapter 48.17 RCW
- Contests of chance
- Horse races
- International investment management services
- Aerospace product development
- Printing or publishing a newspaper (but only with respect to advertising income)
- Printing materials other than newspapers and publishing periodicals or magazines (but only with respect to advertising income)

- Cleaning up radioactive waste and other by-products of weapons production and nuclear research and development, but only with respect to activities that would be taxable as an *apportionable activity* if this special tax classification did not exist

If your business earns income from an apportionable B&O classification in another state or country and meets one of the following thresholds within a calendar year, you are eligible to apportion your income attributable to that state or country away from Washington.

- Pay business activities tax in the other state or country
- Have more than $50,000 of payroll in the other state or country
- Have more than $50,000 of property in the other state or country
- Have more than $250,000 of gross income in the other state or country
- Have at least 25 percent of your total property, payroll, or income in the other state

If you are eligible to apportion your income, it may reduce the amount of Washington tax you owe.

More information and a video tutorial are available at dor.wa.gov/economnicnexus.

# Exemptions, Deductions and Credits

Although Washington's B&O tax applies to most business income, some exemptions, deductions, and credits are available.

## Exemptions

The following four activities are exempt and are not subject to B&O tax. There is no need to report these activities to the Department of Revenue on your excise tax return.

If your type of business, business income, or business activities are listed below as exempt, and you do not owe or collect any other taxes for the Department of Revenue, you do not need to register with us.

### Nonprofit and Social Service Organizations

In Washington State, nonprofit organizations are not necessarily tax exempt, but the organization may qualify for exemptions or deductions. Qualifying activities include:

- Sales for fundraising activities of certain nonprofit organizations. This does not include the regular operation of a business enterprise such as a bookstore, thrift shop, or restaurant.
- Auctions conducted by public benefit organizations.
- Child care provided by churches and child care resource and referral income.

### Government

- County, city, school, and fire district income, except utility or enterprise operations in competition with other businesses, and more than 50 percent funded by user fees.
- State and federal grants received by political subdivisions when no significant services are performed in return.
- Labor and services in regard to preparation of sand and gravel taken from pits that are owned or leased by a city or county, and used by the city or county for purposes of road construction and repair.
- Printing done by cities, counties, and school districts for their own purposes.

### Financial

- International banking facilities.
- State and federally chartered credit unions.

### Farming

Certain farming activities are exempt from B&O tax. Some examples are:

- Farmers making wholesale sales of agricultural products produced by them, on land owned or leased by them.
- Raising and selling, at wholesale, plantation Christmas trees.
- Processing hops into extract, pellets, or powder sold to out-of-state buyers.
- Manufacturing fresh fruit or vegetables, dairy, and seafood products.

For more information, refer to our Agricultural Tax Guide available on our website at dor.wa.gov/farmers.

## Deductions

The five common B&O deductions are listed below. Deductions for one B&O tax classification might not apply to another. A complete list of deductions and deduction definitions can be found on our website dor.wa.gov under Find taxes & rates.

Deductions must be included in your gross income, then identified and subtracted as deductions.

1. **Bad Debts:** Previously reported income not received - *written off* in your accrual-based account books for federal income tax purposes - is deductible. (WAC 458-20-196)
   *Applies to all classifications.*
2. **Cash and Trade Discounts:** The amount of bona fide discounts from the selling price that are included in the gross amount reported may be deducted. (WAC 458-20-108)
   *Applies to all classifications.*
3. **Interstate and Foreign Sales:** Amounts received for items delivered by the seller or by a common carrier to out-of-state locations are deductible. Amounts received by service providers for services performed out-of-state are also deductible. (WAC 458-20-193 and -194)
   *Applies to selling and services classifications. Does not apply to manufacturing, processing, or extracting classifications.*
4. **Returns and Allowances:** When the buyer returns items purchased and the entire selling price is refunded or credited, the seller may deduct the selling price previously reported. (WAC 458-20-108) *Applies to all classifications.*
5. **Freight on Out-of-State Deliveries:** Manufacturers, processors, and extractors may take a deduction for actual transportation costs from the point of origin in this state to the point of delivery outside the state. (WAC 458-20-112)
   *Applies to manufacturing, processing for hire, and extracting classifications.*

### Casual Sales

A casual sale is a sale of tangible personal property by a person who is not engaged in the business of selling the type of property involved. B&O tax does not apply to casual sales. The amount of the sale must be reported under the Retailing B&O tax classification, but a deduction may be taken on the deduction detail sheet.

However, the retail sales tax must be collected on all casual sales made by a person who engaged in a business activity.

Example: A dealership that is upgrading its computer system sells an old computer to one of its employees. The dealer is not in the business of selling computers, so no B&O tax is due, but the dealer must charge the employee retail sales tax on the selling price of the computer.

### Deductions NOT Allowed

Businesses are not allowed to deduct any costs for doing business. For most businesses, this generally includes:

- Gasoline or other fuel purchases
- Wages and salaries
- Product costs
- Delivery costs (freight)

## Credits

Credits exist for specific purposes, reducing the B&O tax liability, and in turn, your tax payment. Examples of credits include:

- Small Business B&O Tax Credit*
- International Services Tax Credit
- Rural County B&O Tax Credit
- High Technology B&O Tax Credit
- Ride Share Credit for B&O Tax
- Multiple Activities Tax Credit (MATC)
- Commute Trip Reduction Credit Program

Credits are also issued when you overpay your taxes in a reporting period.

**A Small Business B&O Tax Credit Table is mailed*. See page 41.

### Local B&O Tax

In addition to the state B&O tax, many cities also tax businesses on their gross income. However, there is no connection between the state and local B&O taxes. To find out if your city has a B&O tax, call your city's business license office.

# Reseller Permit

Businesses buying goods or services for resale must use a reseller permit or other approved exemption certificate to make purchases without paying sales tax.

Reseller permits may be used to buy:

- Merchandise and inventory for resale without the buyer using first.
- Ingredients, components, or chemicals used in processing new products for sale.
- Feed, seed, seedlings, fertilizer, and spray materials if you are a farmer.
- Materials and contract labor for retail/wholesale construction.
- Items for dual purposes.

Reseller permits may NOT be used to buy:

- Items for personal or household use.
- Items used in a business that are not resold, these include office supplies and equipment.
- Promotional items or gifts.
- Tools, equipment, or equipment rentals.
- Materials and contract labor for public road construction, U.S. government contracting, or speculative building.

## Other certificates

Buyers may also use specific exemption certificates to make purchases without paying sales tax. These may include:

- Streamlined Sales Tax exemption certificate
- Multi-State Tax exemption certificate
- State farmers' exemption certificate

Find information about these exemption certificates at dor.wa.gov/resellerpermit.

The Department routinely verifies purchases made with reseller permits. Sellers are not responsible for uncollected sales tax if they have record of a permit or other valid exemption certificate to support a sale.

## How to apply

You may apply for a reseller permit at dor.wa.gov/resellerpermit or by calling 1-800-647-7706.

A sample reseller permit is printed on page 31.

### Tax paid at source

If you don't have a reseller permit, you can take a *Taxable Amount for Tax Paid at Source* deduction on your return or request a refund from the Department. For more information, see *Deductions* on page 6 and line 0130 on the sample tax return on page 26.

### Special rules for contractors

Most retail and manufacturing businesses in Washington State are automatically issued reseller permits.

*Construction businesses will not be automatically issued a permit.* They must apply and provide detailed information about material and labor purchases. Construction business reseller permits are valid for 24 months. The Department will notify businesses by mail prior to expiration if a permit will not be automatically renewed.

# Retail Sales Tax

The retail sales tax is Washington's principal tax source.

**Local sales tax is the second-largest revenue generator for local government programs, behind property tax.**

All sales tax amounts collected from customers are considered trust funds of the state. These amounts are to be held by the retailer until remitted to the Department of Revenue.

### Definition of a Retail Sale

Unless specifically exempt by law, a retail sale is every sale of tangible personal property, including articles produced, fabricated, or imprinted. It also includes sales of services, such as installing, repairing, , cleaning, altering, improving, constructing, and/or decorating real or personal property of or for consumers.

Certain services are specifically defined in the law to be retail sales, such as charges for transient lodging, automobile parking, title, and escrow services, touring services, extended warranties, and amusement and recreation.

### Collecting and Reporting Retail Sales Tax

Retail sales tax applies to the selling price of taxable transactions and must be separately stated on the bill to the customer. The advertised price may include the amount of tax, if so indicated in an advertisement.

Local sales tax charts are available online or by calling 1-800-647-7706. The charts show combined state and local taxes for each selling price. Sellers must use the correct tax rate and location code for each location in which sales are made.

Tax liability must be reported for all sales made during the reporting period on either the accrual or cash receipts basis of accounting. Sellers are personally liable for remitting the correct amount of sales tax, even if they did not collect the proper amount, or any, from the purchaser. All amounts collected are legally considered trust funds of the state. Any sales tax collected in excess of the amount due from the customer must be paid to the Department of Revenue unless the over-collected amount is refunded to the customer.

### Distribution of Retail Sales Tax

Retail sales tax is used by the government entity that imposes the tax. The state tax is deposited in the state General Fund, while city and county taxes are returned to the local governments. The city and county governments use these taxes for general expenditure programs. The Regional Transit Authority tax must be used for the operation of local transportation systems. Local revenues are returned to taxing districts based on the location of the sale.

### Retail Sales Tax Rates

The state retail sales tax rate is 6.5 percent. Local retail sales tax, with rates ranging from 0.5 to 3.0 percent, is collected by retailers along with the state tax. The local tax may contain four elements:

1. The basic 0.5 percent city/county tax is effective in all areas of the state.
2. An *optional* city/county tax, ranging up to an additional 0.5 percent, is used by a majority of counties and all but a few cities.
3. A retail sales and use tax for the support of local transit systems which may be levied at a rate up to 0.8 percent.
4. A 0.1 percent tax for criminal justice programs, which certain counties may impose with voter approval.

## Other Taxes Collected

In addition to retail sales tax, certain retail sales may require the seller to collect the following:

- Regional Transit Authority (RTA) is a 0.9 percent tax collected on sales made in parts of King, Pierce, and Snohomish counties.
- Motor Vehicle Sales/Leases tax is a 0.3 percent tax that applies to sales, leases, and transfers of motor vehicles (including trucks and motor homes) licensed for on-road use. This tax does not apply to retail car rentals that are subject to the rental car tax.

For information on other specialized taxes, refer to Special Taxes and Fees on page 14.

### Local Coding of Retail Sales

Retailers must accurately report the total sales by location code for each place of sale so that we can accurately distribute local sales tax to the cities and counties.

Sales of goods and merchandise are coded to the location where delivery is made. For most retailers, this is the location of his or her place of business. But when an item is shipped or delivered, the sale is coded to the location where it is received by the customer; that might be a customer's home address, work address, construction site or wherever the buyer takes possession of the item.

Labor and services are coded according to where they are primarily performed. If an installation charge is normally added to the cost of an item, the entire charge for that item is coded to the site where it is installed.

If goods are delivered into Washington from a point outside of the state the delivery address will determine the place of sale for purposes of calculating the local sales tax. (WAC 458-20-145)

## Rental of Tangible Personal Property

Local sales tax on the lease or rental of tangible personal property depends upon whether the lease/rental involves periodic payments.

### Single payment

If a single payment is made and the lessee picks up the equipment at the location of the rental company, then the location of the rental company determines the sales tax rate and location code.

### Periodic payments

If the item is rented or leased for a length of time and periodic payments are made, the first payment is coded to the location where the lessee receives the equipment, normally the location of the rental company. All subsequent payments are coded to the location where the equipment is primarily used by the lessee.

## Tools for Determining Sales Tax Rates and Codes

To help businesses assign the correct tax rates we have listed a number of available tools.

- **Local Sales & Use Tax Rates and Changes (LSU) flyer**, go to dor.wa.gov, click *Get a form or publication.*
- **Tax Rate Lookup**, searches according to the address, map, or latitude/longitude.
- **An App for mobile devices**, downloadable free from iTunes or Google play.
- **Real-time web service interface**, downloadable databases.
- **Excel workbook**, and a customer database conversion service that matches location codes to your customers' addresses. Visit destinationtax.dor.wa.gov and click on the link for *More information about available tools.*

## Retail Sales Tax Deductions

The following retail sales tax deductions must be included in your gross income on the excise tax return and then subtracted as a deduction:

### Bad debts

Deductible when written off in account books (i.e. deductible for federal income tax purposes) and reported on a previous tax return.

### Interstate and foreign sales

Shipped by common carrier or delivered by seller outside of Washington.

### Sales to the U.S. government

Bought with U.S. government funds; not sales to federal employees.

### Motor vehicle fuel sales

Gas stations; motor vehicles and special fuel taxes administered by the Department of Licensing.

### Prescription drugs, hearing aids, etc.

Sales of the above items for human use when the buyer presents a prescription.

**Exempt food sales**
Food and food ingredients per RCW 82.08.0293 must meet specific criteria.

**Qualified nonresident sales**
Proof of residency in qualifying state required.

**Trade-in allowances**
Like-kind exchanges.

**Sales of manufacturing machinery**
Must meet specific criteria. Refer to WAC 458-20-13601or the Manufacturers' Sales/Use Tax Exemption fact sheet available at dor.wa.gov.

**Taxable amount for tax paid at source**
Amount on which sales tax was previously paid on goods purchased for resale without intervening use.

**Other**
Must identify applicable RWC or WAC.

# Use Tax

Many taxpayers do not realize there are Washington tax obligations for goods purchased or acquired when sales tax was not paid. For instance, even though you don't pay sales tax when you shop in Oregon, your purchases are subject to use tax when you bring them into Washington.

Washington citizens also owe use tax in this state when they purchase items in other states that have a sales tax rate lower than Washington's.

*Use, used,* and *put to use* are defined in RCW 82.12.010 as the first act within this state by which the taxpayer takes or assumes dominion or control over the article. The definition applies to tangible personal property, some services (see RCW 82.04.050(2)(a)) and extended warranties.

Unpaid use tax costs our state and local governments millions of dollars in revenues each year. Even when a few people fail to pay use tax, we all lose. Projects and special programs that receive funding through the local government portion of the use tax are hurt.

There are many instances when Washington's sales tax is not paid on purchases. In most of these situations, use tax is due. Unless specifically exempted, goods used in this state are subject to either the sales or use tax, but not both. The tax applies regardless of where, or from whom, the property is purchased. Thus, the use tax compensates when sales tax has not been paid.

Here are some situations when use tax is due:

- Goods purchased out of state by subscription, through the Internet, or from a mail order catalog company in which the company does not collect Washington sales or use tax.
- Goods purchased from someone not required to collect sales tax. For example, when you purchase furniture or appliances from an individual through a newspaper classified ad or a yard/garage sale.
- Personal property acquired with the purchase of real property, (with the exception of machinery and equipment used in a manufacturing process, which may qualify for the Manufacturers' Sales/Use Tax Exemption).

### Taxable Amount and Rates

The use tax rates are the same as the sales tax rates and can be found in our Tax Return Information and Local Sales and Use Tax Changes (LSU) flyer, available on our website at dor.wa.gov or by calling 1-800-647-7706.

Use tax, unlike sales tax, is due at the rate applicable to the *location where you first use the article*, not where the sale takes place. The state portion of the tax is 6.5 percent, with local governments imposing their own additional use tax. Depending on the rate of local tax, the combined use tax rates vary.

Use tax is figured on the value of the goods when first used in Washington, which is generally the purchase price. Fair market value may be used if the goods are used outside the state for a lengthy period of time before being used in Washington by the same person.

The value of the goods includes shipping and delivery charges.

### Property Used in a Trade or Business

Use tax is due when goods are purchased for consumption or used by a business and sales tax has not been paid. The following examples are of goods often purchased without sales tax and use tax is due:

- Supplies, fixtures, and equipment purchased from an out of state vendor.
- Supplies, fixtures, and equipment acquired when an existing business is purchased.
- Promotional items, such as hats, T-shirts, matches, calendars, and other items given to customers or other individuals.
- Magazine subscriptions.
- Advertising or promotional materials printed out of state and distributed in Washington.
- Parts installed and labor performed on tangible personal property repaired out of state.
- Materials installed when performing federal government, city/county housing authority, or public road construction contracts.
- Equipment loaned to a contractor on which sales tax was not previously paid.
- Articles withdrawn from inventory and used by the business.
- Items leased from out of state companies.
- Gifts received (if donor has not paid use tax).
- Prizes.
- Articles manufactured by the business for its own use. If the articles are machinery and equipment used directly in a manufacturing operation, they may be exempt from the sales/use tax through the Manufacturers' Sales/Use Tax Exemption.

### Trade-ins

If you purchase goods in another state and trade in a like-kind item to reduce the amount you pay for the goods, use tax is due on the amount after the value of the trade-in is subtracted. For example, you purchase a car in another state for $5,000. The dealer accepts your current car as a trade-in for $2,000. Therefore, you owe Washington use tax on $3,000 at the rate in effect where you garage the car (normally your residence).

*Note: If the dealer gives you $2,000 cash instead of subtracting that amount from the new car price, then you have not traded-in your vehicle and use tax is due on the full $5,000 price of the new vehicle.*

## Use Tax Exemption and Credit

### Exemption

Residents of another state who move to Washington are exempt from the use tax on their household goods, personal effects, and private motor vehicles, if they acquired the property more than 90 days prior to the move.

***Note:*** *For purposes of this exemption, boats, motor homes, trailers, and other RV equipment do not qualify as private motor vehicles or personal effects. Those items are subject to use tax even if acquired more than 90 days prior to moving to Washington. A credit, in the amount of sales/use tax that was previously paid on the non-exempt item, can be used to offset the amount of Washington use tax owed. Proof of previously paid sales/use tax must be provided.*

When items are donated to nonprofit, charitable organizations, local governments, and the state, the use tax is not due, even if the donor did not originally pay sales or use tax on the item. The donor is also exempt from the use tax as long as there was no intervening use of the item prior to the donation.

### Credit

When you bring goods into Washington that you purchased in another state and paid sales tax at the time of the purchase, you can receive a credit for this tax by subtracting the amount of sales or use tax paid from the amount you owe. However, you must have proof that the tax was actually paid to the other state prior to use of the property in Washington.

See WAC 458-20-178 or RCW 82.12 for more information.

## Reporting and Paying Use Tax

Registered businesses must report use tax under the use tax section of the excise tax return.

### Use Tax Due Dates

Under state law, the use tax is due when the goods are first used in Washington. (See page 10 for the RCW definition of *used*.) For example, if you purchase a new computer while traveling in Oregon, use tax is due when you return to Washington.

# Public Utility Tax

**Common Public Utility Tax Classifications**
The public utility tax applies to your business if you engage in any of the following activities within Washington State, as defined in Chapter 82.16 of the RCW. If the public utility tax applies, B&O tax does not.

- **Water Distribution:** operation of a plant or system for the distribution of water for hire or sale.
- **Sewer Collection:** collection of sewerage.
- **Power:** operation of a plant or system for the generation, production, or distribution of electrical energy for hire or sale. The tax is levied on the person making the final distribution within the state.
- **Gas Distribution:** operation of a plant or system for the production or distribution, for hire or sale, of natural and/or manufactured gas.
- **Motor Transportation:** operation of any motor propelled vehicle by which persons or property of others are moved for hire.
- **Railroad, Railroad Car - Railroad:** operation of any railroad or carrying property for public hire on the line of any common carrier operated in this state. Railroad car: rental, lease, or operation of cars used for transportation of property or persons upon the line of any railroad operated in this state when such railroad is not owned or leased by the person engaging in such business.
- **Urban Transportation:** operation of any motor propelled vehicle by which persons or property of others are moved for hire when:
  - Operated entirely within the corporate limits of any city or town or within five miles of the corporate limits.
  - Operated entirely within or between cities or towns whose corporate limits are not more than five miles apart or are within five miles of each other.
- **Log Hauling:** over public highways does not include hauling logs over private roads.

Rules dealing with the public utility tax include WAC 458-20-179 and 458-20-180.

**Public Utility Tax Income Exemption**
Public utility businesses earning gross revenues under these amounts must report, but do not owe the tax:

| | |
|---|---|
| Monthly | $2,000 |
| Quarterly | $6,000 |
| Annually | $24,000 |

# Special Taxes and Fees

### Convention and Trade Center Tax
Additional tax is charged by hotels/motels with 60 or more units located in King County. You can find your convention and trade center tax location code in the Lodging Information Rates and Changes flyer.

### Special Hotel/Motel Tax
Some areas levy an additional tax for transient rentals (less than 30 consecutive days) of hotel/motels, RV parks, or any other type of lodging. You can find the special hotel/motel location code in the Lodging Information Rates and Changes flyer.

### Tobacco Products Tax
Tax on distributors who sell tobacco products at wholesale, or retailers who purchase tobacco products direct from out-of-state manufacturers.

### Refuse Collection Tax
Paid by customers and remitted by the refuse collectors on the charge for refuse collection only. Landfill charges are subject to the Refuse Collection Tax (rate .036).

### Hazardous Substance Tax
Tax on the first possessor, in Washington State, of substances defined by the Department of Ecology as hazardous.

### Petroleum Products Tax
Persons first possessing petroleum products in Washington pay this tax. This special fund has a predetermined target amount. When reached, the tax is no longer due. Once the fund falls below the predetermined amount, the tax is again due based on the wholesale value of the petroleum product sold.

### Solid Fuel Burning Device Fee
A $30 fee is charged to the consumer by retailers on sales of wood stoves, coal stoves, fireplaces, including masonry and zero clearance fireplace inserts, and other similar devices which burn solid fuel.

### Syrup Tax
Tax on the volume of syrup used to produce carbonated beverages sold at wholesale and retail in Washington. The business activity of selling such syrups in this state is also taxed. An exemption is provided for syrup previously subject to this tax in Washington.

### Tire Tax Fee
Requires tire retailers to collect a $1 fee for each retail sale of new replacement vehicle tires. The fee must be paid by the buyer to the seller.

### Litter Tax
Paid by manufacturers, wholesalers, and retailers of products that contribute to the state's litter problem. The tax is due on the gross amount of sales within the state. Items in the following categories are subject to litter tax:

- Food for human or pet consumption
- Groceries
- Cigarette and tobacco products
- Soft drinks and carbonated waters
- Beer and other malt beverages
- Wine
- Newspapers and magazines
- Household paper and paper products
- Glass containers
- Metal containers
- Plastic or fiber containers made of synthetic material
- Cleaning agents and toiletries
- Non-drug drugstore sundry products

For more information on other special taxes and fees, visit our website at dor.wa.gov or call 1-800-647-7706.

# Tax Incentives

To learn more about our tax incentives go to our website dor.wa.gov.

## General Manufacturing

**Machinery and Equipment (M&E) Sales & Use Tax Exemption**

***Available to:*** Manufacturers, processors for hire, manufacturers performing research and development (R&D), and testing operations.

***Qualifying Activity:*** Purchase of qualifying machinery and equipment used directly for manufacturing or research.

**High Unemployment County/Community Empowerment Zones (CEZ) Sales & Use Tax Deferral/Waiver**

***Available to:*** Manufacturers, R&D laboratories, and commercial testing facilities located in high unemployment counties or when a Community Empowerment Zone (CEZ).

***Qualifying Activity:*** Certain construction and equipment purchases for new and expanding businesses.

**Rural County/CEZ Business and Occupation (B&O) Credit for New Employees**

***Available to:*** Manufacturers, R&D laboratories, and commercial testing facilities located in rural counties or within a CEZ.

***Qualifying Activity:*** Increase in-state employment by 15 percent.

## High Technology: Research and Development/ Manufacturing/Services

(Also see Aerospace)

**High Technology B&O Credit for R&D Spending**

***Available to:*** Businesses conducting R&D in the fields of:

- Advanced computing
- Advanced materials
- Biotechnology
- Electronic device technology
- Environmental technology

***Qualifying Activity:*** Research and development

**High Technology Sales & Use Tax Deferral/Waiver**

***Available to:*** Limited to businesses conducting R&D and pilot scale manufacturing in fields of:

- Advanced computing
- Advanced materials
- Biotechnology
- Electronic device technology
- Environmental technology

***Qualifying Activity:*** Certain construction and equipment purchases for new and expanding businesses.

**Biotechnology & Medical Device Manufacturing Sales & Use Tax Deferral/Waiver**

***Available to:*** Biotechnology and medical device manufacturers.

***Qualifying Activity:*** Certain construction and equipment purchases for new and expanding businesses.

## Aerospace

**Reduced B&O Tax Rate for Aerospace Businesses**

***Available to:*** Manufacturers and processors for hire of commercial airplanes or component parts of commercial airplanes, non-manufacturers engaged in the business of aerospace product development, certificated FAR repair stations making retail sales, and aerospace tooling manufacturers.

***Qualifying Activity:*** Manufacturers and Processors for Hire: Manufacturing, and sales by the manufacturer, of commercial airplanes or component parts of commercial airplanes; or tooling especially designed for use in manufacturing commercial airplanes and component parts of commercial airplanes.

***FAR Repair Stations:*** Retail sales made by certificated FAR part 145 repair stations.

***Aerospace Non-Manufacturers:*** Aerospace product development for others.

**B&O Credit for Preproduction Development Expenditures**

***Available to:*** Manufacturers and processors for hire of commercial airplanes or component parts of commercial airplanes, non-manufacturers engaged in the business of aerospace product development, certificated FAR repair stations making retail sales, and aerospace tooling manufacturers.

***Qualifying Activity:*** Expenditures for aerospace preproduction development.

**B&O Credit for Property/Leasehold Taxes Paid on Aerospace Manufacturing Facilities**

***Available to:*** Manufacturers and processors for hire of commercial airplanes or component parts of commercial airplanes, non-manufacturers engaged in the business of aerospace product development, certificated FAR repair stations making retail sales, and aerospace tooling manufacturers.

***Qualifying Activity:*** For Manufacturers: Payment of property/leasehold taxes on new buildings, land, the increased value of renovated buildings, and equipment eligible for the machinery and equipment (M&E) exemption that is used exclusively in manufacturing commercial airplanes or components of such airplanes; or in manufacturing tooling specifically designed for use in manufacturing commercial airplanes or components of such airplanes.

For Certificated FAR Part 145 Repair Stations and Aerospace Non-manufacturers: Payment of property/leasehold taxes on new buildings, land, the increased value of renovated buildings, and qualifying computer equipment and peripherals used exclusively in aerospace product development or in providing aerospace services.

**Sales & Use Tax Exemption for Aerospace Manufacturers for Computer Hardware/ Software/Peripherals**

***Available to:*** Manufacturers and processors for hire of commercial airplanes or component parts of commercial airplanes, non-manufacturers engaged in the business of aerospace product development, certificated FAR repair stations making retail sales, and aerospace tooling manufacturers.

***Qualifying Activity:*** Purchases of computer hardware, software, and computer peripherals, and charges for labor and services related to the installation of such equipment.

# Biofuel

**Reduced B&O Rate for manufacturers of wood biomass fuel**

***Available to:*** Manufacturers of wood biomass fuel.

***Qualifying Activity:*** Manufacturing qualifying fuel products.

**Property/Leasehold Tax Exemption for Biodiesel/Alcohol Fuel Manufacturers**

***Available to:*** Manufacturers of alcohol fuel, biodiesel fuel, biodiesel feedstock, or wood biomass fuel.

***Qualifying Activity:*** Manufacturing qualifying fuel or feedstock

**B&O Tax Deduction for Sales of Biofuels**

***Available to:*** Retail sellers and distributors of biodiesel fuel and E85 motor fuel.

***Qualifying Activity:*** When calculating the B&O tax, a deduction may be claimed for amounts received from the retail sale or distribution of: Biodiesel fuel; or E85 motor fuel.

**Sales/Use Tax Exemption for Machinery Equipment, and Construction of Facilities for Retail Sale and Delivery of Biofuels**

***Available to:*** Retail sellers of biodiesel fuel & E85 motor

***Qualifying Activity:*** Retail sales and distribution of qualifying fuels.

# Food Processing

**B&O Tax Exemption for Food Processors**

***Available to:*** Fresh fruit and vegetable processors, dairy products, and seafood manufacturers.

***Qualifying Activity:*** Manufacturing and wholesale sales by manufacturer of fresh fruit and vegetables, dairy products and seafood.

## Other Incentives

**Sales Tax Remittance on Construction of Warehouses, Grain Elevators, and Distribution Centers**

***Available to:*** Wholesalers, retail distribution centers, and third party warehouse businesses.

***Qualifying Activity:*** Construction of 200,000 square feet or more warehouse and distribution center, one million bushel capacity grain elevators or purchases of material handling & racking equipment.

**Reduced B&O Rate for Extracting/ Manufacturing Timber and Wood Products**

***Available to:*** Extractors, manufacturers, and processors for hire of timber products and wood products.

***Qualifying Activity:*** Extracting, manufacturing, or processing for hire of qualifying products.

**Reduced B&O Rate for Solar Energy System Manufacturers & Wholesalers**

***Available to:*** Manufacturers & processors for hire of solar energy systems and silicon components.

***Qualifying Activity:*** Manufacturing qualifying products.

**B&O Tax Credit for Workforce Training**

***Available to:*** All Washington employers.

***Qualifying Activity:*** Payments to the Employment Training Finance Account through the Customized Employment Training Program.

**B&O Tax Credit for International Service Providers**

***Available to:*** Persons providing international services, such as computer; data processing; information; legal; accounting and tax preparation; engineering; architectural; business consulting; business management; public relations and advertising; surveying; geological consulting; real estate appraisal; or financial services in designated geographical areas.

***Qualifying Activity:*** Creating new jobs in these fields in the designated areas.

# Personal Property Tax

Most people know that property tax applies to real property, such as land and improvements to land. Property tax also applies to personal property used in conducting business, when not exempt by law.

The chief characteristic distinguishing ***personal*** property from ***real*** property is mobility. Personal property includes machinery, equipment, furniture, and supplies. It does not include business inventories.

### Administration

County assessors and treasurers administer the property tax in Washington State. Assessors value property at 100 percent of its true and fair value and treasurers collect the property tax. The Department of Revenue advises assessors and treasurers, and oversees the valuation and taxation of property across the state to ensure uniformity.

### Personal Property Tax Listing Form

By April 30 each year, property owners must complete and file a Personal Property Listing Form with the county assessor, either by mail or electronically. Forms are available at your county assessor's office and our website. Each Personal Property Listing Form must list all taxable property located in the county that was owned on January 1 of that year. For multiple locations, property owners must file a separate listing for each location.

### Penalty for Failure to File

Property owners who do not file a listing of personal property by April 30 are subject to an estimated tax assessment by the assessor. A penalty of five percent of the tax will be added for each month after the deadline the listing is filed. The maximum penalty is 25 percent of the tax.

### For More Information

A Personal Property Tax fact sheet is available from our website at dor.wa.gov. Specific questions should be directed to your county assessor. Questions about property tax statements should be sent to your county treasurer. Telephone numbers for county offices are located in the government section of your local phone directory.

# Tax Return Payment and Reporting

## Accounting Methods

Unless you keep your books on a cash basis, taxes must be paid for all sales made during the reporting period, even if you have not received payment.

## Payment of Taxes

Your state B&O tax is reported on the *excise tax return*. Businesses file tax returns either monthly, quarterly, or annually. After registering your business, we will determine your reporting frequency based on your estimated gross income and your type of business.

If you do not conduct any business you are still responsible for filing a no business return.

## Due Dates

**Monthly filers**

The 25th day of the month following the reporting period.

*Note: Monthly filers must file and pay taxes electronically.*

**Quarterly filers**

Last day of the month following the reporting period.

*Note: Quarterly filers must file and pay taxes electronically.*

**Annually filers**

January 31 of each year.

*Note: Annual filers may file and pay taxes electronically or paper return.*

If the due date falls on a weekend or legal holiday, the due date is extended to the next business day.

## Electronic Filing (E-file)

Electronic filing is a free service that lets you prepare and file your tax return electronically any time of the day. E-file allows you to:

- Customize your tax return, showing only the lines you need.
- Calculate taxes due and flag potential errors, helping you avoid costly mistakes.
- Choose one of several payment methods - Electronic Funds Transfer (EFT), e-check, credit card, or paper check.
- Save postage and avoid the chance of your return being lost or delayed in the mail.
- File your return early and choose the date you want your payment withdrawn (with EFT).

E-file is fast, convenient, and secure. Visit our website at dor.wa.gov for more information. If you need help getting started with E-file, call 1-877-345-3353.

## Reporting No Business Activity

Your business must file a tax return each reporting period even if you did not conduct business or receive income. There are three ways to report.

- **Online:** Go to our website at dor.wa.gov and login to your *My account*. If you are not registered follow the instructions to create a online account.
- **Phone:** Call our 24-hour automated system at 1-800-647-7706. At the greeting enter *111* then enter your nine digit UBI/tax registration number and follow the instructions.
- **Mail:** If you receive a paper *excise tax return*, fill in the *No Business activity* box. Sign, date the return and include a daytime number.

Make a copy for your files and mail the original return in the self-addressed envelope provided.

*Note: If you are signed up to use E-file, you will not receive a paper return. Follow the instructions above to report No Business Activity through E-file or by phone.*

For help or more information call 1-800-647-7706 or your local Revenue office. Please have your UBI/tax registration number available.

## Correcting a Previously Filed Return

If you have reported your taxes incorrectly, you can file an amended return or schedule to correct the error. If additional taxes are due and the original return was late, the amount should be remitted along with the returns and any applicable interest and penalties. If taxes have been overpaid, a refund will be issued or a credit will be applied to your future taxes. Two options to amend your return are:

- **Online:** Log on to your My account at dor.wa.gov, and click *Amend* next to the period and year of the previously filed return you need to correct, or from the menu at the left, choose *File a return*, then *Amend a return*.
- **Mail:** Make or print a copy of the return you need to correct. At the top, write *Amended Return* in large letters. Draw a single line through any incorrect information and write the correct information on the side or above. (Please use black ink) Recalculate your totals. Attach a cover letter explaining why you are submitting an amended return. Mail the amended return and cover letter to:

  Taxpayer Account Administration
  Washington State Department of Revenue
  PO Box 47476
  Olympia, WA 98504-7476

If you have multiple periods to correct, you can photocopy each return and mark your changes, or send us a spreadsheet, listing each period and the correction to each period. Spreadsheets can be mailed or sent to us electronically by using the online option above.

*Note: The Department can only honor refunds dating back four calendar years prior the year in which the refund request is made. (See WAC 458-20-229.)*

## Penalties

### If You Can't File or Pay on Time

Contact your local Department of Revenue office right away. There is a penalty on late payments. The penalties are as follows:

- 5 percent after the due date until the last day of the month following the due date.
- 15 percent after the last day of the month following the due date.
- 25 percent after the last day of the second month following the due date, and anything after.

Filing extensions can be requested and penalties may be waived under limited circumstances.

# Registering with the Department of Revenue

### Register if:

- Your business is required to collect retail sales tax.
- You are a buyer or processor of specialty wood products.
- Your business is required to pay any other taxes or fees to the Department of Revenue.

### DO NOT register if:

- Your gross income is less than $12,000 per year under both the business and occupation tax and the public utility tax, *and* you are not required to collect or pay any tax or fee to the Department of Revenue.

# Helpful Hints

### Collecting Retail Sales Tax

Set up a separate account for retail sales tax (collected trust funds). Every time you collect sales tax, put the funds in that account. This way, you will not accidentally spend these funds and they will be available to remit with your return.

### Business Information Changes

Please contact the Department of Revenue if any information you've given us has changed, including:

- Your address (physical and mailing)
- Email address
- Phone number
- Business entity
- Business activity
- Business closure

You can update your information online. To use this service, go to our website at dor.wa.gov and sign up for *My Account*. If you are already signed up, go to *Manage business account* in the left navagation and click *Update business information* or *Close business*.

You may also report changes to your account using the Business License Application. The Business License Application is also available on our website at business.wa.gov/BLS

### Avoid Late Payments

- File electronically through our electronic filing system (E-file). See the E-file information on page 18.
- Mark your calendar. It is your responsibility to ensure your excise tax return is postmarked or filed electronically by the due date.
  Tip: Once you E-file, you will automatically receive e mail reminders of your filing deadlines. You will no longer receive a paper return.

If you have questions about tax liability, payment, returns, or other subjects, call us at 1-800-647-7706.

# Audit Process

As a registered business you may be selected for an audit. Audits are routine procedures used to determine whether state excise taxes have been reported and paid correctly. The majority of businesses we audit are chosen at random using statistical methods.

In general, your records will be reviewed to verify proper tax reporting. Where appropriate, you will also receive helpful instructions and information on how to fill out returns in the future. We are committed to working with you in a professional and cooperative manner.

Audit procedures and programs may include:

- Obtaining electronic files of the accounting records for the audit period.
- Random, non-statistical sampling of specific audit areas.
- Computer-assisted audits using a statistical sampling technique. These are primarily used for large businesses.

**What to Expect During an Audit**

Audits normally cover the four preceding calendar years, plus the current year through the end of the last calendar quarter. All taxes, deductions, and exemptions reported on your excise tax return will be reviewed.

An audit of your business activities will cover several major areas, including:

1. Gross Income: verification of proper amounts and classifications reported on the return.
2. Deductions, credits and exemptions: verification of proper amounts, classifications, and documentation.
3. Purchases: verification of retail sales or use tax paid on capital assets, consumable supplies, or articles manufactured for your own use.

**Recordkeeping Requirements**

To minimize inconvenience and the time it takes to complete an audit, you will be asked to have records available for the audit period for your meeting with the auditor, these include:

- Washington State excise tax return and work papers.
- Federal Income Tax Return for the business.
- Summary accounting records and source journals such as the check register, general ledger, sales journal, general journal, cash receipts journal, and any other records you use to record income and expenses.
- Sales invoices.
- Purchase invoices (accounts payable, receipts).
- Depreciation schedules listing all assets acquired or disposed of during the audit period along with purchase or sales invoices for those assets.
- Reseller permits for any wholesale sales.
- Supporting documentation for all deductions and exemptions.

You have the right to appeal when you disagree with an assessment issued by the Department of Revenue.

Taxpayers who disagree with an assessment may ask for a supervisory conference before the assessment is issued. For example, when your business records are audited, the auditor will meet with you to discuss the results. If you disagree with those results, you can have a conference with the auditor's supervisor.

If the differences can't be resolved at the supervisory level, you can file a petition for review with the Department of Revenue Appeals Division.

# Appeals Process

## Period for Filing an Appeal

You must file an appeal before the due date or extension date of the assessment.

**After the due date, you must:**

- Pay the assessment.
- File a petition for review requesting a refund *within four years* of the close of the tax year in which taxes were paid.

Example: If you paid tax in June 2008, you have until December 31, 2012, to petition for a refund.

**Appeals must be mailed to:**

Appeals Division

Washington State Department of Revenue

PO Box 47460

Olympia, Washington 98504-7460

**For more information**

WAC 458-20-100 contains a full discussion of the administrative appeals process. For a copy of the rule, go to our website at dor.wa.gov or call 1-800-647-7706.

# Services and Resources

The Department of Revenue offers many services to make reporting your taxes as easy and convenient as possible. The following list contains a sampling of our services.

## Website: dor.wa.gov

Our website offers a wide variety of information and resources for your business, including:

- ***Electronic Filing (E-file).*** File and pay taxes electronically over the Internet.
- ***Business Information Update.*** You can notify us online if your business has moved, closed, or changed activities.
- ***Tax Rate Lookup Tool (GIS).*** Find the correct code and tax rate for specific locations.
- ***Business Records Database.*** Look up public information on businesses registered in Washington State. Public information includes business name, open and close dates, North American Industry Classification Code System (NAICS), UBI/TRA number, and owner type. This information is available for non-commercial purposes only.
- ***Publications and Forms.*** Find our tax guides, fact sheets, reports, news releases, and forms online.
- ***Tutorial videos.*** Access free videos with answers, resources, and step-by-step tax reporting help for your business.
- ***Reporting Fraud.*** Report Washington State tax and license fraud using our online form. You may also link to other state agencies for information on fraud cases and consumer protection.
- ***Research Statistics.*** Access research publications, data on tax collections, tax-related statistics on business activity by industry and geographical area, and other statistical information about the state's tax structure.
- ***Laws and Rules (Taxpedia).*** Search our online database for Department of Revenue rules and laws. Also research tax-related laws, rules, advisories, administrative decisions, and court cases through Taxpedia.
- ***Local Offices.*** Find telephone numbers, office hours, and directions to a local office near you.

# Contacts for Specific Taxes and Programs

**Brokered Natural Gas Tax**
Taxpayer Account Administration Division
(360) 902-7018

**Business and Occupation Tax Credit for New Employees in a Rural County/CEZ**
Taxpayer Account Administration Division
(360) 902-7126

**Cigarette Tax**
Special Programs Division
(360) 570-3265

**Corporate Withdrawals or Dissolutions**
Audit Division
(360) 725-7554

**Electronic Filing (E-file)**
dor.wa.gov
1-877-345-3353

**Electronic Funds Transfer (EFT) Program**
Taxpayer Account Administration Division
(360) 902-7170

**Enhanced Food/Fish Tax**
Taxpayer Account Administration Division
(360) 902-7110

**Estate Tax/Escheats**
Special Programs Division
(360) 570-3231

**Excise Tax Status Letters**
Taxpayer Account Administration Division
(360) 902-7138

**Excise Tax Refunds**
Taxpayer Account Administration Division
(360) 902-7151

**Forest Excise Tax**
Special Programs Division
1-800-548-8829

**Hotel/Motel Special Excise Tax**
Taxpayer Account Administration Division
(360) 902-7072

**Leasehold Excise Tax**
Special Programs Division
(360) 570-3251

**Oil Spill Response and Administration Tax**
Taxpayer Account Administration Division
(360) 902-7034

**Property Tax (General information)**
Property Tax Division
(360) 570-5900

For information regarding a specific property tax assessment, please contact your county assessor.

**Real Estate Excise Tax Refunds**
Special Programs Division
(360) 570-5523

For information on the real estate excise tax, please contact the county treasurer's office where the property is located.

**Retainage Fees**
Audit Division
(360) 725-7588

**Rule Hearings**
Interpretations & Technical Advice Division
(360) 570-6119

**Sales Tax Deferrals**
Special Programs
(360) 570-3243 or (360) 570-3265 opt# 6

**Tax Appeal Questions**
Appeals Division
(360) 570-6140

**Unclaimed Property**
Special Programs Division
1-800-435-2429
www.claimyourcash.org

# Other Agencies to Contact

## Labor and Industries

Employer Services
PO Box 44140
Olympia WA 98504-4140
(360) 902-4817
www.lni.wa.gov

If you have one or more employees, you ***must apply for industrial insurance coverage*** with the Washington State Department of Labor and Industries. ***Industrial insurance is not required for business owners***, but those who want it can complete an application for employer coverage. To apply for industrial insurance or request more information, please look for the nearest Labor and Industries location under the government pages in the telephone book, or visit their website.

## Employment Security

Status Unit
PO Box 9046
Olympia WA 98507-9046
(360) 902-9360
www.fortress.wa.gov/esd/portal

If you have employees, you must apply for unemployment insurance coverage with the Washington State Employment Security Department. For the office nearest you, refer to the government pages in your telephone book.

## Secretary of State

Corporations Division
PO Box 40234
Olympia WA 98504-0234
(360) 725-0377
www.secstate.wa.gov/corps

Contact the Secretary of State's office to file Articles of Incorporation or a Certificate of Limited Partnership if your business has either type of ownership. The Secretary of State also registers trade marks, as well as trade names for corporations and limited partnerships.

## Internal Revenue Service

Information: 1-800-829-1040
1-800-829-4933
Forms: 1-800-829-3676
Fax-on-demand: 1-703-368-9694
Teletax: 1-800-829-4477
(24-hour tax information)
Internet: www.irs.gov

If you pay employment taxes, such as industrial and unemployment insurance, you need to have a Federal Employer Identification Number (FEIN). In some special cases, businesses without employees may be required to obtain a FEIN. The Internal Revenue Service also offers workshops and other taxpayer education services.

## City and County Taxing Offices

Washington State Counties
www.mrsc.org/byndmrsc/counties.aspx

## Washington Cities and Towns

www.mrsc.org/byndmrsc/cities.aspx

If your city or county has business taxes and you are located within the city limits, you will need to register with the city taxing authority, such as the city auditor. Businesses located outside city limits should register with the county taxing authority, which may be the county clerk's office.

Also, remember to contact your county assessor as soon as your business opens. Businesses are required to report personal property - assets used in the operation of a business - to the assessor. Personal property includes furniture, office equipment, machines, and supplies used in the course of doing business. See Personal Property Tax on page 17 for more information.

Check your local telephone directory for the location of these offices or visit their websites.

## Tax-related Information and Business Assistance

**Small Business Administration**

(206) 553-7310

www.sba.gov

**Department of Community, Trade and Economic Development**

(360) 725-4000

Business.wa.gov

www.choosewashington.com

Find information and services from multiple agencies to help you start, register, operate, and grow your business. This new resource on Access Washington, the official state government website, is continually being updated and improved to make it easier for you to handle tasks such as applying for permits, getting and renewing licenses, paying taxes and more. Check back often for new features.

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H Pre-consultation Visit Questionnaire ..... 49-50

I Common Business Activities Table ..... 51-54

MAIL TO: Washington State Department of Revenue
PO Box 47464
Olympia WA 98504-7464

# Multi-Purpose Combined Excise Tax Return

☐ **Filing an Amended Return?** Check this box and attach a letter of explanation.

Period ___ / Year ____

Tax Registration Number

▸ **Use Black Ink & Return Original Form**

▸ **This Return is Effective June 1, 2012 Forward**

NAME

FIRM NAME

STREET ADDRESS

CITY, STATE, ZIP

**Address Changes?** Business Location ☐ Mailing Address ☐ **Business Closed?** ☐ Date Closed ___/___/___ See Additional Information, pg 2 **Other Correspondence?** ☐

Effective date of change ___/___/___

**Please fill in the appropriate box and note address changes above.**

## ▸ Use Black Ink & Return The Original Form

## I STATE BUSINESS AND OCCUPATION TAX

| Line No. | Tax Classification | Code | Column I Gross Amount | Col. 2 Deductions* Totals from Pg. 3 & 4 | Column 3 Taxable Amount | Col. 4 Rate | Column 5 Tax Due |
|---|---|---|---|---|---|---|---|
| 1 | Extracting, Extracting for Hire | 16 | | | | .00484 | |
| 2 | Slaughter, Break Proc, Perish Meat-Whlse; Mfg Wheat into Flour; Soybean & Canola Proc | 30 | | | | .00138 | |
| 3 | Travel Agent Com/Tour Operators; Intl Charter Freight Brokers; Stevedoring; **Assisted Living Facilities** | 28 | | | | .00275 | |
| 4 | Insurance Producers; Title Insurance Agents; Surplus Line Broker Commissions | 14 | | | | .00484 | |
| 5 | Prescription Drug Warehousing; Mfg: Wood Biomass Fuel; or Split/Proc Dried Peas | 21 | | | | .00138 | |
| 6 | Processing for Hire; Printing and Publishing | 10 | | | | .00484 | |
| 7 | Manufacturing | 07 | | | | .00484 | |
| 8 | Royalties; Child Care | 80 | | | | .00484 | |
| 9 | Wholesaling | 03 | | | | .00484 | |
| 10 | Warehousing; Radio & TV Broadcasting; Public Rd Const; Gov Contracting; Chem Dependency Ctr; Canned Salmon Labelers | 11 | | | | .00484 | |
| 11 | Public or Nonprofit Hospitals; Qualified Food Co-ops | 55 | | | | .015 | |
| 12 | Cleanup of Radioactive Waste for US Gov | 83 | | | | .00471 | |
| 13 | Service & Other Activities **and/or** Gambling Contests of Chance (less than $50,000 a year) | 04 | | | | .018 | |
| 14 | Gambling Contests of Chance ($50,000 a year or greater) | 192 | | | | .0193 | |
| 15 | For Profit Hospitals; Scientific R&D | 135 | | | | .015 | |
| 16 | Retailing of Interstate Transportation Equip | 19 | | | | .00484 | |
| 17 | Retailing | 02 | | | | .00471 | |

***GROSS AMOUNTS FOR RETAILING AND RETAIL SALES MUST BE THE SAME***

*** Deductions taken but not itemized on pages 3 and 4 will be disallowed.**

**TOTAL B&O TAX**

## II STATE SALES AND USE TAX

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 18 | Retail Sales (also complete local tax section III) | 01 | | | | .065 | |
| 19 | Use Tax/Deferred Sales Tax (also complete local tax section III) | 05 | | Value of articles used by taxpayer as a consumer on which no Washington sales tax has been paid | | .065 | |

**TOTAL STATE SALES & USE TAX**

## III LOCAL CITY AND/OR COUNTY SALES AND USE TAX

**Local Sales Tax (Enter applicable rate of tax.)** **Code 45**
Total Taxable Amount must be the same as line 18, column 3, Taxable Amount

| Line No. | Location Code | Taxable Amount | Local Rate | Tax Due City or Co. |
|---|---|---|---|---|
| 20 | | | | |
| 21 | | | | |
| 22 | | | | |
| 23 | | | | |
| | TOTAL TAXABLE | | TOTAL | |

**Local Use Tax/Deferred Sales Tax (Enter applicable rate of tax.)** **Code 46**
Total Value of Articles must be the same as line 19, column 1, Gross Amount

| Line No. | Location Code | Value of Articles | Local Rate | Tax Due City or Co. |
|---|---|---|---|---|
| 24 | | | | |
| 25 | | | | |
| | TOTAL VALUE OF ARTICLES | | TOTAL | |

| Line No. | Tax Classification | Code | Taxable Amount | Rate | Tax Due |
|---|---|---|---|---|---|
| 26 | Motor Vehicle Sales/Leases | 120 | | .003 | |
| 27 | Litter Tax | 36 | | .00015 | |

☐ ***If you have no business activity, check the box and mail this return (unless filed electronically)***

▸ Please make check or money order payable to the Washington State Department of Revenue. Include your tax registration number on your check.

▸ Signature

▸ Print Name

▸ Ph. ( ) Date

★ **5%** Penalty Assessed After Due Date
**15%** Penalty Assessed After the Last Day of the Month Following the Due Date
**25%** Penalty Assessed After Last Day of the Second Month Following the Due Date

***If the due date falls on a weekend or legal holiday, the due date is extended to the next business day.***

| Line No. | Item | VII TOTALS |
|---|---|---|
| 28 | Total All Tax Due from page 1 | |
| 29 | Total All Tax Due from page 2 | |
| 30 | Total All Addendums (example: Rental Car Addendum) | |
| 31 | Subtotal (add lines 28-30) | |
| 32 | Credit (from page 2, section VI, total credit) | |
| 33 | Subtotal (subtract line 32 from line 31) | |
| 34 | Add Penalty, if applicable ★ Minimum $5.00 | |
| | **TOTAL AMOUNT OWED (add lines 33 - 34)** | |

## IV LODGING TAXES

**TRANSIENT RENTAL INCOME INFORMATION** Code 47

| Line No. | Location Code | Income |
|---|---|---|
| 35 | | |
| 36 | | |
| 37 | | |
| 38 | | |

(enter location code and income only)

**TOURISM PROMOTION AREA LODGING CHARGE** Code 170

| Line No. | Location Code | Number of Unit/Days | Unit/Day Rate Charged | Total Charges Due |
|---|---|---|---|---|
| 39 | | | | |
| 40 | | | | |
| 41 | | | | |
| 42 | | | | |

**TOTAL TOURISM PROMOTION AREA LODGING CHARGE**

**CONVENTION AND TRADE CENTER TAX** Code 48

| Line No. | Location Code | Taxable Amount | Rate | Tax Due |
|---|---|---|---|---|
| 43 | | | | |
| 44 | | | | |
| 45 | | | | |

**TOTAL CONVENTION & TRADE CENTER TAX**

**SPECIAL HOTEL/MOTEL TAX** Code 70

| Line No. | Location Code | Taxable Amount | Rate | Tax Due |
|---|---|---|---|---|
| 46 | | | | |
| 47 | | | | |
| 48 | | | | |

**TOTAL SPECIAL HOTEL/MOTEL TAX**

## V OTHER TAXES

| Line No. | Tax Classification | Code | Column I Gross Amount | Col. 2 Deductions* Totals from Pg. 4 | Column 3 Taxable Amount | Col. 4 Rate | Column 5 Tax Due |
|---|---|---|---|---|---|---|---|
| 49 | Tobacco Products/Cigars (less than $0.69) | 20 | | | | .95 | |
| 50 | Refuse Collection | 64 | | | | .036 | |
| 51 | Petroleum Products Tax | 57 | Temporarily Not Due – Fund Limit Reached | | | .005 | |
| 52 | Hazardous Substance | 65 | | | | .007 | |
| 53 | ICF (For monthly filers only) | 79 | | | | .06 | |

| Line No. | Tax Classification | Code | Item | Quantity | Rate | Tax Due |
|---|---|---|---|---|---|---|
| 54 | Solid Fuel Burning Device Fee | 59 | Number of Stoves, Fireplaces, & Solid Fuel Burning Devices Sold: | | 30.00 | |
| 55 | Syrup Tax | 54 | Number of Gallons (whole numbers only) Sold: | | 1.00 | |
| 56 | Tire Fee | 73 | Number of Tires Sold: | | .90 | |
| 57 | Cigar Tax ($0.69 or more) | 194 | Number of Cigars ($0.69 or more): | | .65 | |
| 58 | Little Cigar Tax (acetate integrated filters) | 198 | Number of Little Cigars: | | .15125 | |
| 59 | Moist Snuff (1.2 oz. or less) | 162 | Number of Units: | | 2.526 | |
| 60 | Moist Snuff (more than 1.2 oz.) | 163 | Number of Ounces: | | 2.105 | |

*** Deductions taken but not itemized on page 4 will be disallowed.**

**TOTAL OTHER TAXES** (add lines 49-60)

### Additional Information

**Penalties and Interest**

**Penalties:**

- Any unpaid tax (including partial payments) is subject to delinquent return penalty at the rate on the front of the return. (RCW 82.32.090)
- A 5% assessment penalty may be assessed if the return is substantially underpaid. (RCW 82.32.090)

**Interest**: Interest will accrue from the first day of the month following the due date, until paid. (RCW 82.32.050)

**Internet Assistance – Go to DOR's home page at dor.wa.gov**

- Get tax return information and instructions, penalty waiver information, and more.
- Get the Local Sales and Use Tax Addendum, and other tax-related forms.
- Update your account information or close your account with the Department of Revenue.

**Telephone Assistance**

- Call the Department of Revenue office nearest you or 1-800-647-7706.
- To file a No Business Activity return by telephone, call 1-800-647-7706. At the greeting, enter code 111 to start the process. Enter your 9-digit tax registration number and follow the instructions given. Do not mail paper return back to the Department.
- For penalty waiver criteria information, call 1-800-334-8969 and enter code 429.
- For business closure information, call 1-800-334-8969 and enter code 430.

*For tax assistance or to request this document in an alternate format, visit http://dor.wa.gov or call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711.*

## VI CREDITS

| Line No. | Credit Classification | Credit I.D. | Amount |
|---|---|---|---|
| 61 | Multiple Activities Tax Credit (attach Schedule C) | 800 | |
| 62 | International Services Credit | 855 | |
| **63** | **Small Business B&O Tax Credit (go to dor.wa.gov)** | **815** | |
| 64 | Renewable Energy System Cost Recovery Credit | 925 | |
| 65 | Bad Debt Tax Credit (attach Schedule B) | 801 | |
| 66 | Hazardous Substance | 805 | |
| 67 | Public Utility Tax Credit for Billing Discounts/Qualified Contributions to a Low Income Home Energy Assistance Fund | 880 | |
| 68 | Tobacco Products Tax Credit | 930 | |
| 69 | B&O Credit for Syrup Tax Paid | 945 | |
| 70 | Destination Sourcing Tax Credit | 602 | |
| 71 | Other Credits (attach appropriate documents) | 810 | |

**TOTAL CREDIT (transfer to page 1, line 32)**

Washington State
Department of Revenue
PO Box 47464
Olympia WA 98504-7464

# Multi-Purpose Deduction Detail

Period / Year

Name _____ Tax Registration No.

- **If you have deductions**, *return pages 3 and 4.* **If you do not have deductions** *do not return pages 3 and 4.*
- We cannot approve deductions taken on the Combined Excise Tax Return that are not itemized on pages 3 and 4.
- Report deductions under the heading that corresponds to your reporting activity.
- Transfer the total deduction amount for each classification from this page to the corresponding line on your tax return in the deduction column.

***If completing, fill out name, tax registration number and attach to your Combined Excise Tax Return.***

| Line 1 - Extracting, Extracting for Hire | I.D. | Amount |
|---|---|---|
| Bad Debts | 1601 | |
| Cash & Trade Discounts | 1602 | |
| Other (Explain): | 1699 | |
| TOTAL | | |

| Line 2 - Slaughter, Break Processing… | I.D. | Amount |
|---|---|---|
| Bad Debts | 3001 | |
| Cash & Trade Discounts | 3002 | |
| Other (Explain): | 3099 | |
| TOTAL | | |

| Line 3 – Travel Agent Com; Intl Charter… | I.D. | Amount |
|---|---|---|
| Bad Debts | 2801 | |
| Cash & Trade Discounts | 2802 | |
| Other (Explain): | 2899 | |
| TOTAL | | |

| Line 4 - Insurance Producers; Title… | I.D. | Amount |
|---|---|---|
| Bad Debts | 1401 | |
| Other (Explain): | 1499 | |
| TOTAL | | |

| Line 5 – Prescription Drug Warehousing… | I.D. | Amount |
|---|---|---|
| Bad Debts | 2101 | |
| Cash & Trade Discounts | 2102 | |
| Freight on Out-of-State Deliveries | 2103 | |
| Interstate & Foreign Sales (Use for Prescription Drug Warehousing Only.) | 2104 | |
| Advances Reimbursements; Rtrns & Allowances | 2107 | |
| Other (Explain): | 2199 | |
| TOTAL | | |

| Line 6 – Processing for Hire; Printing and… | I.D. | Amount |
|---|---|---|
| Bad Debts | 1001 | |
| Cash & Trade Discounts | 1002 | |
| Freight on Out-of-State Deliveries | 1003 | |
| Advances Reimbursements; Rtrns & Allowances | 1007 | |
| Other (Explain): | 1099 | |
| TOTAL | | |

| Line 7 – Manufacturing | I.D. | Amount |
|---|---|---|
| Bad Debts | 0701 | |
| Cash & Trade Discounts | 0702 | |
| Freight on Out-of-State Deliveries | 0703 | |
| Advances Reimbursements; Rtrns & Allowances | 0707 | |
| Other (Explain): | 0799 | |
| TOTAL | | |

| Line 8 – Royalties; Child Care | I.D. | Amount |
|---|---|---|
| Bad Debts | 8001 | |
| Cash & Trade Discounts | 8002 | |
| Advances Reimbursements; Rtrns & Allowances | 8007 | |
| Other (Explain): | 8099 | |
| TOTAL | | |

| Line 9 – Wholesaling | I.D. | Amount |
|---|---|---|
| Bad Debts | 0301 | |
| Cash & Trade Discounts | 0302 | |
| Interstate & Foreign Sales | 0304 | |
| Motor Vehicle Fuel Tax | 0305 | |
| Casual Sales; Accommodation Sales | 0306 | |
| Advances Reimbursements; Rtrns & Allowances | 0307 | |
| No Local Activity | 0308 | |
| Dairy, Seafood, Fruits/Veg Processors (see below)* | 0367 | |
| Other (Explain): | 0399 | |
| TOTAL | | |

**Local sales for out-of-state delivery*

| Line 10 – Warehousing; Radio & TV… | I.D. | Amount |
|---|---|---|
| Bad Debts | 1101 | |
| Cash & Trade Discounts | 1102 | |
| Interstate & Foreign Sales | 1104 | |
| Advances Reimbursements; Rtrns & Allowances | 1107 | |
| Radio/TV Advertising | 1109 | |
| Other (Explain): | 1199 | |
| TOTAL | | |

| Line 11 – Public or Nonprofit Hospitals; Qualified Food Co-ops | I.D. | Amount |
|---|---|---|
| Bad Debts | 5501 | |
| Cash & Trade Discounts | 5502 | |
| Advances Reimbursements; Rtrns & Allowances | 5507 | |
| Other (Explain): | 5599 | |
| TOTAL | | |

***Not all deductions are allowable from both Retailing and Retail Sales Tax.***

| Line 12 – Cleanup of Radioactive Waste… | I.D. | Amount | |
|---|---|---|---|
| Bad Debts | 8301 | | |
| Cash & Trade Discounts | 8302 | | |
| Interstate & Foreign Sales | 8304 | | |
| Advances Reimbursements; Rtrns & Allowances | 8307 | | |
| Other (Explain): | 8399 | | |
| | **TOTAL** | | |

| Line 13 – Service & Other Activities and/or Gambling Contests of Chance (less than $50,000 a year) | I.D. | Amount | |
|---|---|---|---|
| Bad Debts | 0401 | | |
| Cash & Trade Discounts | 0402 | | |
| Apportionment (Interstate & Foreign Sales) | 0404 | | |
| Advances Reimbursements; Rtrns & Allowances | 0407 | | |
| Gambling; Prize; Cash Pay-Outs | 0410 | | |
| *Qualified* Initiation Fees; Dues; Contributions *Received* | 0411 | | |
| Interest on Certain Invest/Loan/Obligations | 0412 | | |
| Artistic/Cultural Activities | 0416 | | |
| Other (Explain): | 0499 | | |
| | **TOTAL** | | |

| Line 14 – Gambling Contests of Chance ($50,000 a year or greater) | I.D. | Amount | |
|---|---|---|---|
| Gambling; Prize; Cash Pay-Outs | 19210 | | |
| Other (Explain): | 19299 | | |
| | **TOTAL** | | |

| Line 15 – For Profit Hospitals; Scientific R&D | I.D. | Amount | |
|---|---|---|---|
| Bad Debts | 13501 | | |
| Cash & Trade Discounts | 13502 | | |
| Apportionment (Interstate & Foreign Sales) | 13504 | | |
| Advances Reimbursements; Rtrns & Allowances | 13507 | | |
| *Qualified* Initiation Fees; Dues; Contributions *Received* | 13511 | | |
| Artistic/Cultural Activities | 13516 | | |
| Other (Explain): | 13599 | | |
| | **TOTAL** | | |

| Line 16 - Retailing of Interstate Transport... | I.D. | Amount | |
|---|---|---|---|
| Bad Debts | 1901 | | |
| Cash & Trade Discounts | 1902 | | |
| Interstate & Foreign Sales | 1904 | | |
| Advances Reimbursements; Rtrns & Allowances | 1907 | | |
| Consignment Sales | 1915 | | |
| Other (Explain): | 1999 | | |
| | **TOTAL** | | |

| Line 17 – Retailing (B&O) | I.D. | Amount | |
|---|---|---|---|
| Bad Debts | 0201 | | |
| Cash & Trade Discounts | 0202 | | |
| Interstate & Foreign Sales | 0204 | | |
| Motor Vehicle Fuel Tax | 0205 | | |
| Advances Reimbursements; Rtrns & Allowances | 0207 | | |
| No Local Activity | 0208 | | |
| Casual Sales; Accommodation Sales | 0213 | | |
| Tax in Gross | 0214 | | |
| Consignment Sales | 0215 | | |
| Artistic/Cultural Activities | 0216 | | |
| Presc. Drugs Sold by Pub. Oper/Nonprofit Hospitals | 0217 | | |
| Dairy and Seafood Processors (see below)* | 0267 | | |
| Other (Explain): | 0299 | | |
| **Local sales for out-of-state delivery* | **TOTAL** | | |

| Line 18 – Retail Sales Tax | I.D. | Amount | |
|---|---|---|---|
| Bad Debts | 0101 | | |
| Cash & Trade Discounts | 0102 | | |
| Interstate & Foreign Sales | 0104 | | |
| Tax in Gross | 0114 | | |
| Sales to U.S. Government | 0118 | | |
| Motor Vehicle Fuel Sales | 0119 | | |
| Prescription Drugs/Hearing Aids/Lenses/etc | 0121 | | |
| Exempt Food Sales | 0122 | | |
| Qualified Nonresident Sales | 0123 | | |
| Trade-in Allowance | 0124 | | |
| Newspapers | 0125 | | |
| Certain Network Telephone Service | 0126 | | |
| Sales to Indians with Delivery on the Reservation | 0128 | | |
| Sales of Feed to Fish Farmers | 0129 | | |
| Taxable Amount for Tax Paid at Source | 0130 | | |
| Returns & Allowances | 0131 | | |
| Sales to Nonprofit Organizations of Artistic/Cultural Art Objects for Displays | 0132 | | |
| Ride-Sharing Vans | 0134 | | |
| Purebred Livestock for Breeding | 0135 | | |
| Tax Deferral/Investment Certificate No._____ | 0136 | | |
| Sale of Manufacturing Mach/Equip; Install Labor | 0156 | | |
| Retail Sales Tax Exempt Purchases by Farmers | 0159 | | |
| Direct Pay Permits | 0170 | | |
| Retail Sales Tax Reported on SER | 0179 | | |
| Other (Explain): | 0199 | | |
| | **TOTAL** | | |

| Line 50 - Refuse Collection | I.D. | Amount | |
|---|---|---|---|
| Bad Debts | 6401 | | |
| Sales to U.S. Government | 6418 | | |
| Sales to Other Refuse/Solid Waste Collectors | 6445 | | |
| Other (Explain): | 6499 | | |
| | **TOTAL** | | |

| Line 51 - Petroleum Tax | I.D. | Amount | |
|---|---|---|---|
| Petroleum Products Exported Out of State | 5746 | | |
| Other (Explain): | 5799 | | |
| | **TOTAL** | | |

| Line 52 - Hazardous Substance | I.D. | Amount | |
|---|---|---|---|
| Other (Explain): | 6599 | | |
| | **TOTAL** | | |

**Washington State**
**Department of Revenue**
Taxpayer Account Admin.
PO Box 47476
Olympia WA 98504-7476

# State of Washington
# Multiple Activities Tax Credit
# Schedule C

NAME _____ REG NO. _____

FIRM NAME _____

ATTACHED TO: _____ _____ EXCISE TAX RETURN
*Period* *Year*

**INSTRUCTIONS FOR PART I**

**Use Part 1 ONLY if you have paid taxes to other states with respect to activities also taxable in Washington.**

1. Find the Activity (A through E) which applies to your business (more than one activity may apply).
2. Enter in Column 1 the taxable amount pertaining to that activity as reported on the Combined Excise Tax Return.
3. Enter in Column 2 the amount of Washington B & O Tax due on the amount in Column 1.
4. Enter in Column 3 the amount of gross receipts tax paid to other states under the appropriate heading.
5. Enter in Column 4 the lesser of the amounts entered in Columns 2 and 3.
6. Add all amounts in Column 4 and enter in the Subtotal Box.

**PART 1 - EXTERNAL CREDITS "Taxes Paid To Other States"**

| ACTIVITY WHICH RESULTS IN A TAX CREDIT | Column 1 Taxable Amount | Column 2 B & O Taxes Paid | Column 3 Gross Receipts Taxes Paid: Other U.S. States | Column 3 Gross Receipts Taxes Paid: Non-Washington Local Govts. | Column 3 Gross Receipts Taxes Paid: Foreign Countries and Territories | Line Code | Column 4 Total Credit |
|---|---|---|---|---|---|---|---|
| A. Sales in Washington of products extracted outside of Washington | | | | | | 67 | |
| B. Sales in Washington of products manufactured outside of Washington | | | | | | 67 | |
| C. Washington manufactured products extracted outside of Washington | | | | | | 67 | |
| D. Washington extracted products sold outside of Washington | | | | | | 68 | |
| E. Washington manufactured products sold outside of Washington | | | | | | 68 | |
| | | | | | | **Multiple Activities Tax Credit Subtotal of taxes paid to other states** | |

**INSTRUCTIONS FOR PART II**

**Use Part II ONLY if you have reported taxable amounts under two or more Washington B & O tax classifications.**
**Make no entries in the shaded boxes.**

1. Find the Activity (F, G or H) which applies to your business (more than one activity may apply).
2. Enter in Column 1 the taxable amount pertaining to this activity.
3. Enter in Column 2 the B & O Tax applicable to this activity under the appropriate heading(s). (Use the appropriate tax rates for your activities as shown on the Combined Excise Tax Return, Column 5).
4. For Activity F enter in Column 3 the tax amount listed under Extracting.
5. For Activity G combine the amounts entered under wholesaling and retailing and enter the result in Column 3.
6. For Activity H combine the amounts entered under wholesaling and retailing. Enter in Column 3 the lesser of the manufacturing or the combined wholesaling and retailing amount.
7. Add all amounts in Column 3 and enter in Subtotal Box.

**PART II - INTERNAL CREDITS "Taxes Paid To Washington State"**

| ACTIVITY WHICH RESULTS IN A TAX CREDIT | Column 1 Taxable Amount | Column 2 Business And Occupation Tax Reported: Extracting | Column 2 Business And Occupation Tax Reported: Manufacturing | Column 2 Business And Occupation Tax Reported: Wholesaling | Column 2 Business And Occupation Tax Reported: Retailing | Line Code | Column 3 Total Credit |
|---|---|---|---|---|---|---|---|
| F. Washington extracted products manufactured in Washington | | | | | | 16 | |
| G. Washington extracted products sold in Washington | | | | | | 16 | |
| H. Washington manufactured products sold in Washington | | | | | | 07 | |
| | | | | | | **Multiple Activities Tax Credit Subtotal of taxes paid to Washington State.** | |

| | | |
|---|---|---|
| **Enter the total credits from Part I and Part II in this box and transfer the amount to the Multiple Activities Tax Credit line on the Combined Excise Tax Return** | **Credit ID 800** | |

For tax assistance visit dor.wa.gov or call 1-800-647-7706. To inquire about the availability of this form in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may use the Washington Relay Service by calling 711.

STATE OF WASHINGTON

# RESELLER PERMIT

Washington State Department of Revenue

PO Box 47476 • Olympia, WA 98504-7476 • 1-800-647-7706

**Business Activities:**

**This permit can be used to purchase:**

- Merchandise and inventory for resale without intervening use
- Ingredients, components, or chemicals used in processing new articles of tangible personal property produced for sale
- Feed, seed, seedlings, fertilizer, and spray materials by a farmer
- Materials and contract labor for retail/wholesale construction
- Items for dual purposes (see Purchases for Dual Purposes on back)

**This permit cannot be used to purchase:**

- Items for personal or household use
- Promotional items or gifts
- Items used in your business that are not resold, such as office supplies, equipment, tools, and equipment rentals
- Materials and contract labor for public road construction or U.S. government contracting (see Definitions on back)
- Materials and contract labor for speculative building

**This permit is no longer valid if the business is closed.**

**The business named on this permit acknowledges:**

- It is solely responsible for all purchases made under this permit
- Misuse of the permit:
  - Subjects the business to a penalty of 50 percent of the tax due, in addition to the tax, interest, and penalties imposed (RCW 82.32.291)
  - May result in this permit being revoked

**Notes** *(optional)*: _____

_____

_____

**Important:** The Department of Revenue may use information from sellers to verify all purchases made with this permit were qualified.

***Reseller: Keep this original permit on file. Provide copies to sellers from which you make purchases.***

EXC/TIA

# CONFIDENTIAL TAX INFORMATION AUTHORIZATION

Attention: _____ Fax: _____

Tax information is confidential and cannot be shared with anyone without the business/employer's express permission. By completing this form, you are authorizing the agency to share your confidential tax information with the person(s) you name below. This is not a Power of Attorney form; it does not authorize parties to represent you by speaking on your behalf. Please fill in all parts of this form, carefully describing the specific information you want the agency to share and the periods covered by this authorization. This request may cover all confidential tax information or it may be limited to certain information and/or periods of time. **Please read instructions on Page 2**.

**NOTE: This form will remain in effect until cancelled or replaced. Please refer to the Instructions on Page 2, Part 4.**

**1. EFFECTIVE DATE OF THIS AUTHORIZATION:**

**2. Enter UBI No. (use ES reference number for Employment Security)**

**3. Name of business/employer giving the selected agency authorization to share confidential tax information.**

Business/employer name(s) and mailing address:

Telephone: _____
Fax: _____
E-mail: (optional) _____
FEIN No: (optional) _____
Check if new: ☐ Address ☐ Phone No.

**4. Person, company, or firm with whom your confidential information can be shared.**

Name and mailing address:

UBI/TIN/EIN: _____
Telephone: _____
Fax: _____
E-mail: (optional) _____
Check if: ☐ New and cancels any current Authorization
☐ Adds an additional person or company to current Authorization on file

**Note: This does not change the official mailing address for sending information to the business/employer.**

| **5. Information to be shared (please describe or state "All")** | **6. Year(s) or filing period(s) (be specific or state "All")** |
|---|---|
| | |

**7. Signature of person giving authorization (see instruction)**

I declare, under penalty of perjury, that I am authorized to sign this form. I am listed as the real property owner or as the business owner, partner, corporate officer, or LLC member or manager in official records held by Washington State, or I have attached documentation (e.g., power of attorney, annual report, executor) that grants me the authority to sign.

x _____ _____
Print Name Title (if applicable) Please Print

x _____
Signature

x _____ _____
Dated City and State in Which Signed

**8. Make a copy of this form for your files. Fax or mail original form to each agency as needed.**

**Washington State**
**Department of Revenue**
Taxpayer Services
PO Box 47478
Olympia, WA 98504-7478
FAX: (360) 705-6733

**Washington State**
**Employment Security Department**
PO Box 9046
Olympia, WA , 98507-9046
FAX: (360) 902-9264

**Washington State**
**Department of Labor & Industries**
PO Box 44140
Olympia, WA 98504-4140
FAX: (360) 902-4729
Scanned copy: estechsupport@lni.wa.gov

For tax assistance or to request this document in an alternate format, visit http://dor.wa.gov or call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711.

## Instructions for Completing the Confidential Tax Information Authorization

The Confidential Tax Information Authorization form (Authorization) grants the Department of Revenue (DOR), Department of Labor and Industries (L&I), and Employment Security Department (ESD) permission to disclose to any individual, corporation, firm, organization, or partnership you designate to inspect and/or receive your confidential tax information for the specified type and for the year(s) or period(s) you list on the form. **Note:** This is not a Power of Attorney form; it does not authorize parties to represent you by speaking on your behalf. Please read the instructions that follow.

**PLEASE PRINT OR TYPE**
If you were asked to send this document to a specific department employee enter the person's name on the **Attention** line at the top of the document along with his or her fax number. Otherwise, see instructions Part 8. A copy needs to be sent to each agency as needed.

**Part 1**
Enter the date you want this authorization to begin. Normally this will be the current date.
**Part 2**
Enter UBI number or ES reference number.

**Part 3**
Provide complete information about the person that is granting authorization for disclosure of their confidential tax information. This must include the following information or the Authorization cannot be processed:

- Legal name of the person (eg. Owner name/partnership name/corporate name/limited liability company (LLC) name etc).
- Mailing address of the person.
- Contact telephone number for the person (including fax number, e-mail address, and FEIN if available).
- Indicate if either the address or telephone number are new to the account.

**Part 4**
Provide complete information regarding the person or company to whom the information is to be disclosed. This must include the following information or the Authorization cannot be processed:

- Name of the person, company, or firm to whom the information can be released.
- Full mailing address of the person, company, or firm.
- Contact telephone number of the person, company, or firm (including fax number and e-mail address if available).
- Check the applicable box * indicating whether this Authorization is new or replaces current Authorization(s) on file, or adds an additional person or company to the current Authorization on file.
  (*Checking the new box will cancel previous Authorization on file).

**Note: This does not change the official mailing address for sending information to employer.**

**To only cancel an existing Authorization on your account:** Complete Parts 1, 2, 3, 4 and 7. In Part 4 write "Cancel Previous Authorizations" in the name and address box.

**Part 5**
Indicate the information to be released to the person or company. You can choose to be very specific, limiting the information to be disclosed, or you can indicate "All" to indicate no limitations to the information to be disclosed.

**Part 6**
Indicate the year(s) or filing period(s) for the information that you wish to be disclosed to the person or company, or state "All" to indicate that there are no limitations.

**Part 7**
To complete this section, you must be an authorized signer. Authorized signers are generally the business owner, a partner, corporate officer, or LLC member listed in Washington State records. If you cannot be verified by the Agency as an authorized signer, it is your responsibility to provide supporting documentation that indicates you are authorized to give the Agency this permission (e.g. corporate minutes, annual report, letter of delegation, job description, certain in-person contact, guardian, executor, receiver, administrator, etc.). If your documentation cannot be verified, your request will not be allowed and you will be notified by the Agency.

**Part 8**
Keep a copy of this completed form for your files. Unless instructed otherwise, send a copy of this form to each agency as needed, using the fax numbers or addresses on the front of this form.

Department of Revenue Washington State

**DEPARTMENT OF REVENUE**
**TAX INQUIRY STATEMENT**

You may use this form as a guide to request a written response to your tax inquiry. You may leave this form with a Department of Revenue employee or mail your question to the address below.

Date: _____ Year: _____

1. My name is: _____

   Business Name: _____

   Street Address: _____

   City: _____ State: _____ Zip Code: _____

   Phone: (_____) _____ Tax Registration/UBI No.: _____

   Email Address: _____

2. My question is (give detailed information about your request. If more space is needed, please attach additional sheets to this form).

   _____
   _____
   _____
   _____
   _____
   _____
   _____
   _____
   _____
   _____

Taxpayer Services
PO Box 47478
Olympia, WA 98504-7478
**Fax: (360) 705-6655**

You can expect a reply within 10 working days **if the taxpayer in question is identified**.

For tax assistance or to request this document in an alternate format, visit http://dor.wa.gov or call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711.

Department of Revenue Washington State

# BUYERS' RETAIL SALES TAX EXEMPTION CERTIFICATE

**Not to be used to make purchases for resale**

| *Vendor/Seller* | | | *Date* |
|---|---|---|---|
| *Street Address* | *City* | *State* | *Zip Code* |

**I, the undersigned buyer, certify I am making an exempt purchase for the following reason:** ***(Enter information and/or check applicable box(es))***

1. **Nonresident:**
   Place of residence: _____
   Type of proof of residence accepted (drivers license, fishing license, etc) _____ ,
   including any identification numbers _____ , and expiration date _____ .
   - **a.** ☐ Tangible personal property other than motor vehicles for use outside Washington by a resident of a state, possession, or province of Canada, with a sales tax rate of less than three percent.
   - **b.** ☐ Watercraft *(Include make, model and serial number of vessel):*
     _____
     - ☐ Registered or documented with the US Coast Guard or state of principal use and will leave Washington waters within 45 days; **or**
     - ☐ Buyer is a resident of a foreign country. Purchase is for use outside Washington and will leave Washington waters within 45 days.

   **Seller's Signature:** _____
2. **Electric Vehicles:**
   - **a.** ☐ Batteries for electric vehicles or the purchase of labor and services rendered in respect to installing, repairing, altering, or improving electric vehicle batteries.
   - **b.** ☐ Tangible personal property that will become a component of electric vehicle infrastructure or the purchase of or charge made for labor and services rendered in respect to installing, constructing, repairing, or improving electric vehicle infrastructure.
3. **Intrastate Air Transport:**
   - ☐ Airplanes for use in providing intrastate air transportation by a commuter air carrier and the sale of repair and related services for these airplanes.
4. **Interstate or Foreign Commerce or Commercial Deep Sea Fishing Business:**
   - **a.** ☐ Motor vehicles, trailers and component parts thereof used to transport persons or property ***for hire*** in interstate or foreign commerce.
   - **b.** ☐ Airplanes, locomotives, railroad cars or watercraft and component parts thereof used in transporting persons or property ***for hire.***
   - **c.** ☐ Labor and services rendered to construct, repair, clean, alter or improve ***for hire*** carrier property.
   - **d.** ☐ Items for use connected with private or common carriers engaged in air, rail or water in interstate or foreign commerce. (***Note: Items consumed in the state are subject to use tax.)***
   - **e.** ☐ Fuel to be consumed outside of Washington by a vessel primarily engaged in foreign commerce.
     Vessel Name: _____
     Type of Fuel: _____ Quantity: _____
   - **f.** ☐ Watercraft, component parts, labor and services, and/or diesel fuel used in a qualifying commercial deep sea fishing operation.
     Registered Vessel Name: _____ Vessel Number: _____

**5. Sales to Indians:**

- **a.** ☐ Tangible personal property or services purchased by Indians or Indian tribes when the goods are delivered to or services provided within Indian country.
- **b.** ☐ Supplies or services purchased by prime contractors hired by Indian tribes to perform construction in Indian Country when the goods are delivered to or services provided in Indian country.

**6. Other:**

- **a.** ☐ Prescription items *(describe):* _____
- **b.** ☐ Machinery and equipment *(including labor and services to install)* used directly in generating electricity using solar energy in a system capable of generating not more than 10kW of electricity.
- **c.** ☐ Biodiesel blend or E85 motor fuel construction and purchases of machinery and equipment for retail facilities.
- **d.** ☐ Biodiesel blend or E85 motor fuel delivery vehicles and service charges on such vehicles.
- **e.** ☐ Waste vegetable oil used to produce biodiesel fuel for personal use.
- **f.** ☐ Equipment rental and purchase of services for use in motion picture and video production.
- **g.** ☐ Objects of art or cultural value purchased by an artistic or cultural organization.
- **h.** ☐ Livestock for breeding purposes. Animal Name:_____

  Animal Type: _____ Registered Breed Association: _____
- **i.** ☐ Animal pharmaceuticals purchased by veterinarians *(describe)*: _____
- **j.** ☐ Computer hardware, peripherals, software and related installation, used by the aerospace industry.
- **k.** ☐ Labor, services, and tangible personal property related to the constructing of new buildings by a manufacturer of superefficient airplanes or by a port district, to be leased to a manufacturer of superefficient airplanes.
- **l.** ☐ Computer hardware, peripherals, software and related installation, purchased by publishers and printers.
- **m.** ☐ City, County, Tribal, or Inter-Tribal Housing Authorities.
- **n.** ☐ Tangible personal property for use in a noncontiguous state delivered to the usual receiving terminal of the shipper.

  Type of Goods Purchased: _____

  Point of Delivery: _____ Carrier/Agent: _____
- **o.** ☐ Gases and chemicals used by a manufacturer or processor for hire in the production of semiconductor materials.
- **p.** ☐ Hog fuel used to produce electricity, steam, heat, or biofuel.
- **q.** ☐ Tangible personal property under the weatherization assistance program.
- **r.** ☐ Trail Grooming Services.
- **s.** ☐ Honey bees purchased by an eligible apiarist. Apiarist ID #: _____
- **t.** ☐ Federal credit union purchases.
- **u.** ☐ Wax, ceramic materials, and labor used to create molds consumed during the process of creating investment castings.
- **v.** ☐ Sales of ferry vessels to the state or local governmental units, components thereof, and labor and service charges.
- **w.** ☐ Joint Municipal Utilities Services Authority.

*Continued*

I, the undersigned buyer, understand that by completing and signing this certificate I am certifying that I qualify for the tax-exempt purchase(s) indicated above. I understand that I will be required to pay sales or use tax on purchases that do not qualify for an exemption. In addition, I understand that false or erroneous use of this certificate will result in liability for unpaid tax with interest and may result in additional penalties.

Type of entity: ☐ Individual ☐ Corporation ☐ Sole Proprietor ☐ Partnership ☐ Other (Explain)

Type of Business: _____ Tax Registration No.: _____

Name of Buyer: _____ Title: _____

Signature of Buyer: _____

Street Address: _____

City: _____ State: _____ Zip: _____

**Seller must maintain a copy. *Do not send to Department of Revenue.***

*Each exemption on this form has specific rules (see instructions)*

## *INSTRUCTIONS*

**Buyers must ensure entitlement to the exemption before using this Certificate**. For information regarding exemptions, contact Washington State Department of Revenue Taxpayer Information Center at (360) 705-6705 or 1-800-647-7706 or visit the Department's web site at: dor.wa.gov.

**Line 1a** applies to the purchase of tangible personal property other than motor vehicles for use outside Washington by a resident of a state, possession, or province of Canada with a sales tax rate of less than three percent (e.g. Oregon, Alaska).Reference: RCW 82.08.0273, WAC 458-20-193 (6) (b) and ETA 3054.2009.

***NOTE:*** *Sales of motor vehicles are not covered by this certificate; please refer to* RCW 82.08.0264 *and* WAC 458-20-177 *for certificate and exemption information.*

**Line 1b** applies to watercraft purchased by a nonresident for use outside Washington when delivery takes place in Washington. The buyer must provide proof of residency (picture ID) and check the applicable box. By checking the box, the buyer certifies that the vessel will leave Washington State waters within forty-five days. Sellers must examine and document the proof of residency provided by the buyer. **Seller must sign the form**. By signing the form, the seller certifies that the seller has examined and listed the buyer's proof of residency. See WAC 458-20-238 for acceptable proof of residency for corporations, partnerships and limited liability companies.
Reference: RCW 82.08.0266,RCW 82.08.02665, and WAC 458-20-238.

**Line 2a** applies to the purchase of electric vehicle batteries or to labor and services rendered in respect to installing, repairing, altering, or improving electric vehicle batteries.

**Line 2b** applies to the purchase of tangible personal property that will become a component of an electric vehicle infrastructure or to labor and services rendered in respect to installing, constructing, repairing, or improving electric vehicle infrastructure.
Reference: 2SHB 1481 (Chapter 459, 2009 Laws.)

**Line 3** applies to the purchase of airplanes for use in providing intrastate air transportation by a commuter air carrier and the sale of repair and related services for these airplanes. Commuter air carriers are air carriers holding authority under Title 14, part 298 of the code of federal regulations that carries passengers on at least five round trips per week on at least one route between two or more points.
Reference: RCW 82.08.0262 and 82.12.0254.

**Line 4a** applies to the purchase of motor vehicles, or trailers by a business operating or contracting to operate for the holder of a carrier permit issued by the Interstate Commerce Commission. The exemption also applies to component parts and repairs of such carrier property including labor and services rendered in the course of constructing, repairing, cleaning, altering or improving the same. The buyer must attach a list stating make, model, year, serial number, motor number and ICC permit number. Reference: RCW 82.08.0263 and WAC 458-20-174.

**Line 4b** applies to the purchase of airplanes, locomotives, railroad cars, or watercraft for use in conducting interstate or foreign commerce by transporting therein or therewith persons or property ***for hire***. The exemption also applies to component parts of such carrier property. Reference: RCW 82.08.0262 and WAC 458-20-175.

**Line 4c** applies to charges for labor and services rendered in the course of constructing, repairing, cleaning, altering or improving carrier property when carrier property is used ***for hire***.
Reference: RCW 82.08.0262 and WAC 458-20-175.

**Line 4d** applies to the purchase of durable goods or consumables, other than those mentioned in line 4b, for use in connection with interstate or foreign commerce by such businesses. The goods must be for exclusive use while engaged in transporting persons or property in interstate or foreign commerce. The exemption **does not** apply to charges for labor or services in regard to the installing, repairing, cleaning or altering of such property. Although exempt from retail sales tax, materials are subject to use tax if consumed in Washington. Unregistered businesses must attach a list stating the description and quantity of items that will be consumed in Washington and pay use tax to the seller. Reference: RCW 82.08.0261 and WAC 458-20-175.

**Line 4e** applies to fuel consumed outside the territorial waters of the United States by vessels used primarily in foreign commerce. Buyers must list the vessel name, type of fuel and quantity. Reference: RCW 82.08.0261 and WAC 458-20-175.

**Line 4f** applies to the purchase of vessels, component parts, or repairs by persons engaged in commercial deep sea fishing operations outside the territorial waters of the state of Washington. The exemption also applies to the purchase of diesel fuel used in commercial deep or commercial passenger fishing operations when annual gross receipts from the operations are at least five thousand dollars. Reference: RCW 82.08.0262, RCW 82.08.0298, and WAC 458-20-176.

**Line 5a** applies to the purchase of tangible personal property or services by an Indian or Indian tribe. The goods or services must be delivered to, or performed on the reservation. The purchaser must present a tribal membership card, a treaty fishing card, a certificate of enrollment, or a letter from a tribal official. Sellers must document the buyer's name, dollar amount of purchase, tribal affiliation and reservation where delivery is made. Reference: RCW 82.08.0254 and WAC 458-20-192.

**Line 5b** applies to the purchase of consumable supplies, equipment rentals or services by a prime contractor hired by an Indian tribe to perform construction in Indian Country where the goods or services are delivered to, or performed on the reservation. The purchaser must present a construction contract with the tribe or a letter from a tribal official evidencing that they are working directly with the Tribe. Sellers must document the buyer's name, dollar amount of purchase, and reservation where delivery is made. Reference: RCW 82.08.0254 and WAC 458-20-192.

**Line 6a** applies to the purchase by a medical practitioner, chiropractor, nursing home, or hospital of items to be prescribed and used for the treatment of illness or ailments of human beings. To qualify, certain of these items must be prescribed.
Reference: RCW 82.08.0281.

**Line 6b** applies to the purchase of qualifying machinery and equipment (and charges for labor to install) used directly in generating electricity using the sun as the principle source of power at a facility capable of generating *not more than ten kilowatts* of electricity. Effective July 1, 2009 – June 30, 2013.
Reference: RCW 82.08.963

**Line 6c** applies to the purchase of machinery and equipment and the construction of facilities used directly for the retail sale of biodiesel blend or E85 motor fuel. Reference: RCW 82.08.955.

**Line 6d** applies to the purchase of fuel delivery vehicles and labor and service charges related to such vehicles, provided 75% of the fuel distributed by them is biodiesel blend and E85 motor fuel.
Reference: RCW 82.08.955.

**Line 6e** applies to the purchase of waste vegetable oil from restaurants and food processors to produce biodiesel fuel for personal use. The exemption does not apply to persons that are engaged in selling biodiesel fuel at wholesale or retail. Reference: RCW 82.08.0205.

**Line 6f** applies to the rental of production equipment and purchases of production services by motion picture and video production companies.
Reference: RCW 82.08.0315 and Motion Picture-Video Production Special Notice, available from the Department.

**Line 6g** applies to the purchase of objects of art or cultural value, and items used in the creation of a work of art (other than tools), or in displaying art objects or presenting artistic or cultural exhibitions or performances by artistic or cultural organizations.
Reference: RCW 82.08.031 and WAC 458-20-249.

**Line 6h** applies to the purchase of livestock for breeding purposes. "Livestock" is defined in RCW 16.36.005. The animal must be registered in a nationally recognized breed association. Reference: RCW 82.08.0259 and WAC 458-20-210.

**Line 6i** applies to the purchase of animal pharmaceuticals by veterinarians or farmers for the purpose of administering to an animal raised for sale by a farmer. Animal pharmaceuticals must be approved by the United States Food and Drug Administration or the United States Department of Agriculture. Reference: RCW 82.08.880.

**Line 6j** applies to the purchase of computer hardware, peripherals, and software, and related installation, not otherwise eligible for the M&E exemption, used primarily in development, design, and engineering of aerospace products or in providing aerospace services. Reference: RCW 82.08.975.

**Line 6k** applies to charges for labor and services rendered in respect to the constructing of new buildings by a manufacturer engaged in the manufacturing of superefficient airplanes or by a port district, to be leased to a manufacturer engaged in the manufacturing of superefficient airplanes. The exemption also applies to sales of tangible personal property that will become a component of such buildings during the course of the constructing, or to labor and services rendered in respect to installing, during the course of constructing, building fixtures not otherwise eligible for the exemption under RCW 82.08.02565(2)(b). Before starting construction the port district must have entered into an agreement with the manufacturer to build such a facility. A person claiming the exemption under this section must file a complete annual report with the Department under RCW 82.32.534. "Superefficient airplane" has the meaning given in RCW 82.32.550. Expires July 1, 2024. Reference: RCW 82.08.980

**Line 6l** applies to the purchase of computer hardware, peripherals, digital cameras, software, and related installation not otherwise eligible for the M&E exemption that is used primarily in the printing or publishing of printed materials. The exemption includes repairs and replacement parts. Reference: RCW 82.08.806.

**Line 6m** applies to all retail purchases of goods and services by City, County, Tribal, or Inter-Tribal Housing Authorities. Reference: RCW 35.82.210.

**Line 6n** applies to the purchase of goods for use in a state, territory or possession of the United States which is not contiguous to any other state such as Alaska, Hawaii, Guam, and American Samoa. For the exemption to apply, the seller must deliver the goods to the usual receiving terminal of the for-hire carrier selected to transport the goods. Reference: RCW 82.08.0269 and WAC 458-20-193 (6) (c).

**Line 6o** applies to the purchase of gases and chemicals by a manufacturer or processor for hire in the production of semiconductor materials. Limited to gases and chemicals used to grow the product, deposit or grow permanent or sacrificial layers on the product, to etch or remove material from the product, to anneal the product, to immerse the product, to clean the product, and other uses where the gases and chemicals come into direct contact with the product during the production process, or gases and chemicals used to clean the chambers and other like equipment in which processing takes place. Reference: RCW 82.08.9651.

**Line 6p** applies to the purchase of hog fuel to produce electricity, steam, heat, or biofuel. Hog fuel is defined as wood waste and other wood residuals including forest derived biomass. Hog fuel does not include firewood or wood pellets. Reference: RCW 82.08.956.

**Line 6q** applies to the purchase of tangible personal property used in the weatherization of residences under the weatherization assistance program. The tangible Personal property must become a component part of the residence. Reference: RCW 82.08.998.

**Line 6r** applies to the purchase of trail grooming services by the state of Washington and nonprofit corporations organized under chapter 24.03 RCW. Trail grooming activities include snow compacting, snow redistribution, or snow removal on state or privately-owned trails. Reference: RCW 82.08.0203.

**Line 6s** applies to all honey bees purchased by an eligible apiarist. An eligible apiarist is a person who: owns or keeps one or more bee colonies; grows, raises, or produces honey bee products for sale at wholesale; and registers their hives/colonies with the WA State Department of Agriculture as required by RCW 15.60.021. Reference: RCW 82.08.0204.

**Line 6t** applies to the purchase of goods and retail services by federally chartered credit unions. Federal credit unions are exempt from state and local consumer taxes under federal law, such as sales tax, lodging taxes and rental car tax. To be exempt, the federal credit union must pay for goods and services directly, such as by a check written on the federal credit union or a credit card issued to the federal credit union. Sellers should keep a copy of the check or credit card used for payment to substantiate the exempt nature of the sale.
Reference: Det. No. 92-239, 17 WTD 32 (1998).

**Line 6u** applies to the purchase of wax and ceramic materials used to create molds consumed during the process of creating ferrous and nonferrous investment castings used in industrial applications. Also applies to labor or services used to create wax patterns and ceramic shells used as molds in this process. Reference: Substitute Senate Bill 6339 (Chapter 225, Laws of 2010).

**Line 6v** applies to sales of ferry vessels to the state of Washington or to a local governmental unit in the state of Washington for use in transporting pedestrians, vehicles, and goods within or outside the territorial waters of the state. The exemption also applies to sales of tangible personal property which becomes a component part of such ferry vessels and sales of or charges made for labor and services rendered in respect to constructing or improving such ferry vessels. Reference RCW 82.08.0285.

**Line 6w** applies to cities, counties, and other municipalities that create a Joint Municipal Services Authority.

# MONTHLY SMALL BUSINESS B&O TAX CREDIT TABLE

**Table 1:** Use this Small Business Credit (SBC) Table **only** if 50% **or more** of your total taxable B&O income on or after May 1, 2010 was reported under Service and Other, Gambling Contests of Chance, For Profit Hospitals, and/or Scientific R&D.

***Note:*** ***Keep this table as a reference for future returns or access it at the Department's website at http://dor.wa.gov.***

| If Your Total Business and Occupation Tax is | | Your Small Business B&O Tax Credit is: |
|---|---|---|
| *At least* | *But Less Than* | |
| $0 | $71 | Equal to the Amount of B&O Tax Due |
| $71 | $76 | $70 |
| $76 | $81 | $65 |
| $81 | $86 | $60 |
| $86 | $91 | $55 |
| $91 | $96 | $50 |
| $96 | $101 | $45 |
| $101 | $106 | $40 |
| $106 | $111 | $35 |
| $111 | $116 | $30 |
| $116 | $121 | $25 |
| $121 | $126 | $20 |
| $126 | $131 | $15 |
| $131 | $136 | $10 |
| $136 | $141 | $5 |
| $141 | More | $0 |

**Note:** If your total B&O tax due is less than $71, your SBC will be equal to the amount of B&O tax due.

**Table 2:** If your business activity is not one of the four activities listed below, please use this table. Use this SBC Table **if less** than 50% of your total taxable B&O income was reported under Service and Other, Gambling Contests of Chance, For Profit Hospitals, and/or Scientific R&D. (This table applies to all periods prior to May 1, 2010.)

| If Your Total Business and Occupation Tax is | | Your Small Business B&O Tax Credit is: |
|---|---|---|
| *At least* | *But Less Than* | |
| $0 | $36 | Equal to the Amount of B&O Tax Due |
| $36 | $41 | $35 |
| $41 | $46 | $30 |
| $46 | $51 | $25 |
| $51 | $56 | $20 |
| $56 | $61 | $15 |
| $61 | $66 | $10 |
| $66 | $71 | $5 |
| $71 | More | $0 |

**Note:** If your total B&O tax due is less than $36, your SBC will be equal to the amount of B&O tax due.

For tax assistance or to request this document in an alternate format, visit http://dor.wa.gov or call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711.

## SMALL BUSINESS B&O TAX CREDIT WORKSHEET

Use this worksheet to help you determine which B&O Credit Table to use and to calculate your Small Business B&O Tax Credit (SBC).

**Step 1:** Add together the amount of B&O taxable amounts (column 3) reported under:

Service and Other Activities $_____

Gambling Contests of Chance $_____

For Profit Hospitals; Scientific R&D $_____

**Total** ..... → **$**_____

**Step 2:** Add all B&O taxable amounts reported ..... → $_____

**Step 3:** Divide Step 1 by Step 2 ..... → _____%

**Step 4:** Determine which SBC table to use:

Use **Table 1,** if Step 3 is greater than or equal to 0.5 (50% or more)
Use **Table 2,** if Step 3 is less than 0.5 (less than 50%)

**Step 5:** Determine the total B&O tax due
(add total tax due of all B&O classifications on your tax return.) $_____

**Step 6:** Add together the credit amounts taken for:

Multiple Activities Tax Credit (MATC) $_____

International Service Credit $_____

Customized Employment Training Credit $_____

Hospital Patient Handling B&O Credit $_____

High Technology Credit $_____

Other B&O Credits $_____

**Total** ..... → **$**_____

**Step 7:** Subtract Step 6 from Step 5. This net B&O tax due amount
is used to determine your SBC ..... → $_____

**Step 8:** Using the table determined in Step 4, calculate your SBC based on your net B&O tax due determined in Step 7.

**Step 9:** Write the amount of your SBC under the Credits section of your return (page 2) on the Small Business B&O Credit line.

Department of Revenue Washington State

# QUARTERLY SMALL BUSINESS B&O TAX CREDIT TABLE

**Table 1:** Use this Small Business Credit (SBC) Table **only** if 50% **or more** of your total taxable B&O income on or after Quarter 2, 2010 was reported under Service and Other, Gambling Contests of Chance, For Profit Hospitals, and/or Scientific R&D.

| If Your Total B&O Tax is: | | Your SBC is: | If Your Total B&O Tax is: | | Your SBC is: | If Your Total B&O Tax is: | | Your SBC is: |
|---|---|---|---|---|---|---|---|---|
| *At Least* | *But less Than* | | *At Least* | *But less Than* | | *At Least* | *But less Than* | |
| $0 | $211 | Equal to the Amount of B&O Tax Due | $281 | $286 | $140 | $356 | $361 | $65 |
| $211 | $216 | $210 | $286 | $291 | $135 | $361 | $366 | $60 |
| $216 | $221 | $205 | $291 | $296 | $130 | $366 | $371 | $55 |
| $221 | $226 | $200 | $296 | $301 | $125 | $371 | $376 | $50 |
| $226 | $231 | $195 | $301 | $306 | $120 | $376 | $381 | $45 |
| $231 | $236 | $190 | $306 | $311 | $115 | $381 | $386 | $40 |
| $236 | $241 | $185 | $311 | $316 | $110 | $386 | $391 | $35 |
| $241 | $246 | $180 | $316 | $321 | $105 | $391 | $396 | $30 |
| $246 | $251 | $175 | $321 | $326 | $100 | $396 | $401 | $25 |
| $251 | $256 | $170 | $326 | $331 | $95 | $401 | $406 | $20 |
| $256 | $261 | $165 | $331 | $336 | $90 | $406 | $411 | $15 |
| $261 | $266 | $160 | $336 | $341 | $85 | $411 | $416 | $10 |
| $266 | $271 | $155 | $341 | $346 | $80 | $416 | $421 | $5 |
| $271 | $276 | $150 | $346 | $351 | $75 | $421 | or more | $0 |
| $276 | $281 | $145 | $351 | $356 | $70 | | | |

**Note:** If your total B&O tax due is less than $211, your SBC will be equal to the amount of B&O tax due.

**Table 2:** If your business activity is not one of the four activities listed below, please use this table. Use this SBC Table **if less** than 50% of your total taxable B&O income was reported under Service and Other, Gambling Contests of Chance, For Profit Hospitals, and/or Scientific R&D. (This table applies to all periods prior to Quarter 2, 2010.)

| If Your Total B&O Tax is: | | Your SBC is: |
|---|---|---|
| *At Least* | *But less Than* | |
| $0 | $106 | Equal to the Amount of B&O Tax Due |
| $106 | $111 | $105 |
| $111 | $116 | $100 |
| $116 | $121 | $95 |
| $121 | $126 | $90 |
| $126 | $131 | $85 |
| $131 | $136 | $80 |
| $136 | $141 | $75 |
| $141 | $146 | $70 |
| $146 | $151 | $65 |
| $151 | $156 | $60 |
| $156 | $161 | $55 |

| If Your Total B&O Tax is: | | Your SBC is: |
|---|---|---|
| *At Least* | *But Less Than* | |
| $161 | $166 | $50 |
| $166 | $171 | $45 |
| $171 | $176 | $40 |
| $176 | $181 | $35 |
| $181 | $186 | $30 |
| $186 | $191 | $25 |
| $191 | $196 | $20 |
| $196 | $201 | $15 |
| $201 | $206 | $10 |
| $206 | $211 | $5 |
| $211 | or more | $0 |
| | | |

**Note:** If your total B&O tax is less than $106, your SBC will be equal to the amount of the B&O tax due.

For tax assistance or to request this document in an alternate format, visit http://dor.wa.gov or call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711.

## SMALL BUSINESS B&O TAX CREDIT WORKSHEET

Use this worksheet to help you determine which B&O Credit Table to use and to calculate your Small Business B&O Tax Credit (SBC).

**Step 1:** Add together the amount of B&O taxable amounts reported under:

Service and Other Activities $_____

Gambling Contests of Chance $_____

For Profit Hospitals; Scientific R&D $_____

**Total** ..... ▶ **$**_____

**Step 2:** Add all B&O taxable amounts reported ..... ▶ $_____

**Step 3:** Divide the amount in Step 1 by the amount in Step 2 ..... ▶ _____%

**Step 4:** Determine which SBC table to use:

Use **Table 1,** if Step 3 is greater than or equal to 0.5 (50% or more)
Use **Table 2,** if Step 3 is less than 0.5 (less than 50%)

**Step 5:** Determine the total B&O tax due
(add total tax due of all B&O classifications on your tax return.) $_____

**Step 6:** Add together the credit amounts taken for:

Multiple Activities Tax Credit (MATC) $_____

International Service Credit $_____

Customized Employment Training Credit $_____

Hospital Patient Handling B&O Credit $_____

High Technology Credit $_____

Other B&O Credits $_____

**Total** ..... ▶ **$**_____

**Step 7:** Subtract Step 6 from Step 5. This net B&O tax due amount is used to determine your SBC..... ▶ $_____

**Step 8:** Using the table determined in Step 4, calculate your SBC based on your net B&O tax due determined in Step 7.

**Step 9:** Write the amount of your SBC under the Credits section of your return (page 2) on the Small Business B&O Credit line.

Department of Revenue Washington State

# ANNUAL SMALL BUSINESS B&O TAX CREDIT TABLE

**Table 1:** Use this Small Business Credit (SBC) Table **only** if 50% **or more** of your total taxable B&O income was reported under Service and Other, Gambling Contests of Chance, For Profit Hospitals, and/or Scientific R&D.

| If Your Total B&O Tax is: | | Your SBC is: | If Your Total B&O Tax is: | | Your SBC is: | If Your Total B&O Tax is: | | Your SBC is: |
|---|---|---|---|---|---|---|---|---|
| *At Least* | *But less Than* | | *At Least* | *But less Than* | | *At Least* | *But less Than* | |
| $0 | $841 | Equal to the Amount of B&O Tax Due | $996 | $1001 | $685 | $1156 | $1161 | $525 |
| $841 | $846 | $840 | $1001 | $1006 | $680 | $1161 | $1166 | $520 |
| $846 | $851 | $835 | $1006 | $1011 | $675 | $1166 | $1171 | $515 |
| $851 | $856 | $830 | $1011 | $1016 | $670 | $1171 | $1176 | $510 |
| $856 | $861 | $825 | $1016 | $1021 | $665 | $1176 | $1181 | $505 |
| $861 | $866 | $820 | $1021 | $1026 | $660 | $1181 | $1186 | $500 |
| $866 | $871 | $815 | $1026 | $1031 | $655 | $1186 | $1191 | $495 |
| $871 | $876 | $810 | $1031 | $1036 | $650 | $1191 | $1196 | $490 |
| $876 | $881 | $805 | $1036 | $1041 | $645 | $1196 | $1201 | $485 |
| $881 | $886 | $800 | $1041 | $1046 | $640 | $1201 | $1206 | $480 |
| $886 | $891 | $795 | $1046 | $1051 | $635 | $1206 | $1211 | $475 |
| $891 | $896 | $790 | $1051 | $1056 | $630 | $1211 | $1216 | $470 |
| $896 | $901 | $785 | $1056 | $1061 | $625 | $1216 | $1221 | $465 |
| $901 | $906 | $780 | $1061 | $1066 | $620 | $1221 | $1226 | $460 |
| $906 | $911 | $775 | $1066 | $1071 | $615 | $1226 | $1231 | $455 |
| $911 | $916 | $770 | $1071 | $1076 | $610 | $1231 | $1236 | $450 |
| $916 | $921 | $765 | $1076 | $1081 | $605 | $1236 | $1241 | $445 |
| $921 | $926 | $760 | $1081 | $1086 | $600 | $1241 | $1246 | $440 |
| $926 | $931 | $755 | $1086 | $1091 | $595 | $1246 | $1251 | $435 |
| $931 | $936 | $750 | $1091 | $1096 | $590 | $1251 | $1256 | $430 |
| $936 | $941 | $745 | $1096 | $1101 | $585 | $1256 | $1261 | $425 |
| $941 | $946 | $740 | $1101 | $1106 | $580 | $1261 | $1266 | $420 |
| $946 | $951 | $735 | $1106 | $1111 | $575 | $1266 | $1271 | $415 |
| $951 | $956 | $730 | $1111 | $1116 | $570 | $1271 | $1276 | $410 |
| $956 | $961 | $725 | $1116 | $1121 | $565 | $1276 | $1281 | $405 |
| $961 | $966 | $720 | $1121 | $1126 | $560 | $1281 | $1286 | $400 |
| $966 | $971 | $715 | $1126 | $1131 | $555 | $1286 | $1291 | $395 |
| $971 | $976 | $710 | $1131 | $1136 | $550 | $1291 | $1296 | $390 |
| $976 | $981 | $705 | $1136 | $1141 | $545 | $1296 | $1301 | $385 |
| $981 | $986 | $700 | $1141 | $1146 | $540 | $1301 | $1306 | $380 |
| $986 | $991 | $695 | $1146 | $1151 | $535 | $1306 | $1311 | $375 |
| $991 | $996 | $690 | $1151 | $1156 | $530 | $1311 | $1316 | $370 |

**Table 1 continued:** Use this SBC table only if 50% **or more** of your total taxable B&O income was reported under Service and Other, Gambling Contests of Chance, For Profit Hospitals, and/or Scientific R&D.

| If Your Total B&O Tax is: | | Your SBC is: | If Your Total B&O Tax is: | | Your SBC is: | If Your Total B&O Tax is: | | Your SBC is: |
|---|---|---|---|---|---|---|---|---|
| *At Least* | *But less Than* | | *At Least* | *But less Than* | | *At Least* | *But less Than* | |
| $1316 | $1321 | $365 | $1441 | $1446 | $240 | $1566 | $1571 | $115 |
| $1321 | $1326 | $360 | $1446 | $1451 | $235 | $1571 | $1576 | $110 |
| $1326 | $1331 | $355 | $1451 | $1456 | $230 | $1576 | $1581 | $105 |
| $1331 | $1336 | $350 | $1456 | $1461 | $225 | $1581 | $1586 | $100 |
| $1336 | $1341 | $345 | $1461 | $1466 | $220 | $1586 | $1591 | $95 |
| $1341 | $1346 | $340 | $1466 | $1471 | $215 | $1591 | $1596 | $90 |
| $1346 | $1351 | $335 | $1471 | $1476 | $210 | $1596 | $1601 | $85 |
| $1351 | $1356 | $330 | $1476 | $1481 | $205 | $1601 | $1606 | $80 |
| $1356 | $1361 | $325 | $1481 | $1486 | $200 | $1606 | $1611 | $75 |
| $1361 | $1366 | $320 | $1486 | $1491 | $195 | $1611 | $1616 | $70 |
| $1366 | $1371 | $315 | $1491 | $1496 | $190 | $1616 | $1621 | $65 |
| $1371 | $1376 | $310 | $1496 | $1501 | $185 | $1621 | $1626 | $60 |
| $1376 | $1381 | $305 | $1501 | $1506 | $180 | $1626 | $1631 | $55 |
| $1381 | $1386 | $300 | $1506 | $1511 | $175 | $1631 | $1636 | $50 |
| $1386 | $1391 | $295 | $1511 | $1516 | $170 | $1636 | $1641 | $45 |
| $1391 | $1396 | $290 | $1516 | $1521 | $165 | $1641 | $1646 | $40 |
| $1396 | $1401 | $285 | $1521 | $1526 | $160 | $1646 | $1651 | $35 |
| $1401 | $1406 | $280 | $1526 | $1531 | $155 | $1651 | $1656 | $30 |
| $1406 | $1411 | $275 | $1531 | $1536 | $150 | $1656 | $1661 | $25 |
| $1411 | $1416 | $270 | $1536 | $1541 | $145 | $1661 | $1666 | $20 |
| $1416 | $1421 | $265 | $1541 | $1546 | $140 | $1666 | $1671 | $15 |
| $1421 | $1426 | $260 | $1546 | $1551 | $135 | $1671 | $1676 | $10 |
| $1426 | $1431 | $255 | $1551 | $1556 | $130 | $1676 | $1681 | $5 |
| $1431 | $1436 | $250 | $1556 | $1561 | $125 | $1681 | or more | $0 |
| $1436 | $1441 | $245 | $1561 | $1566 | $120 | | | |

**Note:** If your total B&O tax due is less than $841, your SBC will be equal to the amount of B&O tax due.

**B&O Tax:** Is the total tax due found by adding all tax amounts from Section I of the tax return.

**B&O Tax Credits:** Are subtracted to find net B&O tax before locating the SBC from the table (see next page).

**Table 2:** If your business activity is not one of the four activities listed below, please use this table. Use this SBC Table **if less** than 50% of your total taxable B&O income was reported under Service and Other, Gambling Contests of Chance, For Profit Hospitals, and/or Scientific R&D. (This table applies to all periods prior to Annual 2010.)

| If Your Total B&O Tax is: | | Your SBC is: | If Your Total B&O Tax is: | | Your SBC is: | If Your Total B&O Tax is: | | Your SBC is: |
|---|---|---|---|---|---|---|---|---|
| *At Least* | *But less Than* | | *At Least* | *But less Than* | | *At Least* | *But less Than* | |
| $0 | $421 | Equal to the Amount of B&O Tax Due | $561 | $566 | $280 | $706 | $711 | $135 |
| $421 | $426 | $420 | $566 | $571 | $275 | $711 | $716 | $130 |
| $426 | $431 | $415 | $571 | $576 | $270 | $716 | $721 | $125 |
| $431 | $436 | $410 | $576 | $581 | $265 | $721 | $726 | $120 |
| $436 | $441 | $405 | $581 | $586 | $260 | $726 | $731 | $115 |
| $441 | $446 | $400 | $586 | $591 | $255 | $731 | $736 | $110 |
| $446 | $451 | $395 | $591 | $596 | $250 | $736 | $741 | $105 |
| $451 | $456 | $390 | $596 | $601 | $245 | $741 | $746 | $100 |
| $456 | $461 | $385 | $601 | $606 | $240 | $746 | $751 | $95 |
| $461 | $466 | $380 | $606 | $611 | $235 | $751 | $756 | $90 |
| $466 | $471 | $375 | $611 | $616 | $230 | $756 | $761 | $85 |
| $471 | $476 | $370 | $616 | $621 | $225 | $761 | $766 | $80 |
| $476 | $481 | $365 | $621 | $626 | $220 | $766 | $771 | $75 |
| $481 | $486 | $360 | $626 | $631 | $215 | $771 | $776 | $70 |
| $486 | $491 | $355 | $631 | $636 | $210 | $776 | $781 | $65 |
| $491 | $496 | $350 | $636 | $641 | $205 | $781 | $786 | $60 |
| $496 | $501 | $345 | $641 | $646 | $200 | $786 | $791 | $55 |
| $501 | $506 | $340 | $646 | $651 | $195 | $791 | $796 | $50 |
| $506 | $511 | $335 | $651 | $656 | $190 | $796 | $801 | $45 |
| $511 | $516 | $330 | $656 | $661 | $185 | $801 | $806 | $40 |
| $516 | $521 | $325 | $661 | $666 | $180 | $806 | $811 | $35 |
| $521 | $526 | $320 | $666 | $671 | $175 | $811 | $816 | $30 |
| $526 | $531 | $315 | $671 | $676 | $170 | $816 | $821 | $25 |
| $531 | $536 | $310 | $676 | $681 | $165 | $821 | $826 | $20 |
| $536 | $541 | $305 | $681 | $686 | $160 | $826 | $831 | $15 |
| $541 | $546 | $300 | $686 | $691 | $155 | $831 | $836 | $10 |
| $546 | $551 | $295 | $691 | $696 | $150 | $836 | $841 | $5 |
| $551 | $556 | $290 | $696 | $701 | $145 | $841 | or more | $0 |
| $556 | $561 | $285 | $701 | $706 | $140 | | | |

**Note:** If your total B&O tax due is less than $421, your SBC will be equal to the amount of B&O tax due.

## SMALL BUSINESS B&O TAX CREDIT WORKSHEET

Use this worksheet to help you determine which B&O Credit Table to use and to calculate your Small Business B&O Tax Credit (SBC).

**Step 1:** Add together the amounts of B&O taxable amounts reported under:

Service and Other Activities $_____

Gambling Contests of Chance $_____

For Profit Hospitals; Scientific R&D $_____

**Total** ..... ▶ **$**_____

**Step 2:** Add all B&O taxable amounts reported. ..... ▶ $_____

**Step 3:** Divide the amount in Step 1 by the amount in Step 2 ..... ▶ _____%

**Step 4:** Determine which SBC table to use:

Use **Table 1,** if Step 3 is greater than or equal to 0.5 (50% or more)
Use **Table 2,** if Step 3 is less than 0.5 (less than 50%)

**Step 5:** Determine the total B&O tax due
(add total tax due of all B&O classifications on your tax return) ..... ▶ $_____

**Step 6:** Add together the credit amounts taken for:

Multiple Activities Tax Credit (MATC) $_____

International Service Credit $_____

Customized Employment Training Credit $_____

Hospital Patient Handling B&O Credit $_____

High Technology Credit $_____

Other B&O Credits $_____

**Total** ..... ▶ **$**_____

**Step 7:** Subtract Step 6 from Step 5. This net B&O tax due amount
is used to determine your SBC. ..... ▶ $_____

**Step 8:** Using the table determined in Step 4, calculate your SBC based on your net B&O tax due determined in Step 7.

**Step 9:** Write the amount of your SBC under the Credits section of your return (page 2) on the Small Business B&O Credit line.

Department of Revenue Washington State

# PRE-CONSULTATION VISIT QUESTIONNAIRE

➢ ***Please respond to the following items in black or blue ink***

Tax Registration Number: _____ - _____ - _____ Date: ____ / ____ / ____

1. Describe your business activity, including various sources of income: _____

2. Do you receive miscellaneous income (i.e., commissions, interest, royalties, rents)? ☐ Yes ☐ No
3. Do you bill customers for freight/shipping charges?..... ☐ Yes ☐ No
4. Do you separately bill customers for reimbursement of expenses?..... ☐ Yes ☐ No
5. Do you exchange goods/services for other goods/services? ..... ☐ Yes ☐ No
6. Do you collect retail sales tax? ..... ☐ Yes ☐ No
   a. Have you remitted all retail sales tax collected? ☐ Yes ☐ No
7. Have you sold business assets (i.e., equipment, furniture, fixtures)? ..... ☐ Yes ☐ No
8. Do you offer cash/trade discounts or other allowances? ..... ☐ Yes ☐ No
9. Do you make sales or provide services to customers outside Washington?. ☐ Yes ☐ No
10. Do you make in-state sales or provide services to:
    a. Non-residents? ..... ☐ Yes ☐ No
    b. Native Americans?..... ☐ Yes ☐ No
    c. Government agencies?..... ☐ Yes ☐ No
11. Do you have uncollectible sales/bad debts?..... ☐ Yes ☐ No
12. Do you issue or accept exemption certificates for:
    a. Resale (Reseller Permit)? ..... ☐ Yes ☐ No
    b. Manufacturer's Machinery & Equipment? ..... ☐ Yes ☐ No
    c. Tax Deferrals? ..... ☐ Yes ☐ No
    d. Others? Describe: _____ ☐ Yes ☐ No
13. Have you ever requested a written opinion or ruling from the Department? ☐ Yes ☐ No
    If yes, attach copy.
14. Are you currently working with another division within the Department? ☐ Yes ☐ No
    If yes, which division: _____
15. Are there other specific issues or questions you would like to discuss during the consultation visit? (If yes, please share your comments below.) ☐ Yes ☐ No

Business Name: _____ Contact Person _____

Telephone Number: ( ) _____ Best time for us to contact you: _____

For tax assistance or to request this document in an alternate format, visit http://dor.wa.gov or call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711.

**Please fax, mail, or deliver to the Field Office nearest you or fax to Audit Standards & Procedures at (360) 586 5886.**

## *Department of Revenue Field Office Locations*

**BELLINGHAM (360) 594-4840**
Mon-Fri 8am-11:30am, 12:30pm-5pm
Fax: (360) 594-4888
*Delivery & Mailing Address:*
1904 Humboldt Street, Suite A
Bellingham, WA 98225

**Bothell (425) 984-6400**
Mon-Fri 8am-5pm
Fax: (425) 356-4840
*Delivery & Mailing Address:*
19800 North Creek Pkwy, Suite 101
Bothell, WA 98011

**KENT (425) 656-5100**
Mon-Fri 8am -11:30pm
12:30pm - 5:00pm
Fax: (425) 656-5157
*Delivery & Mailing Address:*
20819 72nd Avenue South, Suite 680
Kent, WA 98032

**PORT ANGELES (360) 417-9900**
Mon, Wed, & Fri 8am-11:30am,
12:30pm-5pm; Closed Tues & Thurs
Fax: (360) 417-9915
*Delivery Address:*
734 East First Street, Suite B
Port Angeles, WA 98362
*Mailing Address:*
Post Office Box 400 98362-0064

**RICHLAND (509) 987-1201**
Mon-Fri 8am-11:30am, 12:30pm-5pm
Fax: (509) 987-1220
*Delivery Address:*
1657 Fowler Street
Richland, WA 99352
*Mailing Address:*
Post Office Box 140 99352

**SEATTLE (206) 727-5300**
Mon-Fri 8am-5pm
Fax: (206) 727-5319
*Delivery & Mailing Address:*
2101 4th Avenue, Suite 1400
Seattle, WA 98121-2300

**SPOKANE (509) 327-0200**
Mon-Fri 8am-5pm
Fax: (509) 327-0225
*Delivery & Mailing Address:*
1330 North Washington, Suite 5600
Spokane, WA 99201-2456

**TACOMA (253) 382-2000**
Mon-Fri 8am-11:30am, 12:30pm-5pm
Fax: (253) 382-2011
*Delivery Address:*
3315 South 23rd Street, Suite 300
Tacoma, WA 98405
*Mailing Address:*
Post Office Box 111180 98411-1180

**TUMWATER (800) 647-7706**
Mon-Fri 8am-5pm
Fax: (360) 705-6655
*Delivery Address:*
6500 Linderson Way SW, Suite 101
Tumwater, WA 98501
*Mailing Address:*
Post Office Box 47474 98504-7474

**VANCOUVER (360) 256-2060**
Mon-Fri 8am-5pm
Fax: (360) 256-2070
*Delivery Address:*
8008 NE 4th Plain Blvd, Suite 320
Vancouver, WA 98662
*Mailing Address:*
Post Office Box 1648 98668-1648

**WENATCHEE (509) 663-9714**
Mon-Fri 8am-11:30am, 12:30pm-5pm
Fax: (509) 664-1243
*Delivery Address:*
630 North Chelan Avenue, Suite B3
Wenatchee, WA 98801
*Mailing Address:*
Post Office Box 220 98807-0220

**YAKIMA (509) 454-5160**
Mon-Fri 8am-11:30am, 12:30pm-5pm
Fax: (509) 454-5170
*Delivery & Mailing Address:*
3703 River Road, Suite 3
Yakima, WA 98902-7325

This table shows the common classifications reported on the excise tax return. It provides general guidelines, not specific reporting instructions.

For instance, if you conduct multiple activities, it may be necessary to report under several B&O tax classifications. Specific activities, such as cigarette sales, may also be subject to other taxes. If you have questions, contact us or visit your local Revenue office.

| Business Activity | Tax Classification | Rules/Laws |
|---|---|---|
| Accounting, Bookkeeping, Tax Preparation | Service & Other Activities B&O | WAC 458-20-224 |
| Actuarial | Service & Other Activities B&O | WAC 458-20-224 |
| Advertising Agencies | Service & Other Activities B&O | WAC 458-20-218 |
| Amusement & Recreation Services | Retailing B&O, Retail Sales Tax, Regional Transit Authority, Service & Other Activities B&O | WAC 458-20-183; RCW 82.04.050 |
| Appraiser | Service & Other Activities B&O | WAC 458-20-224 |
| Architects | Service & Other Activities B&O, Retailing B&O, Retail Sales Tax, Regional Transit Authority | WAC 458-20-170; 224 |
| Athletic Clubs | Retailing B&O, Retail Sales Tax, Regional Transit Authority, Service & Other Activities B&O | WAC 458-20-183 |
| Attorneys | Service & Other Activities B&O | WAC 458-20-207 |
| Beauty Salon/Barber | Service & Other Activities B&O, Retailing B&O, Retail Sales Tax, Regional Transit Authority | WAC 458-20-138; 224; Beauticians Tax Guide |
| Business Consulting | Service & Other Activities B&O | WAC 458-20-224 |
| Car Wash | Retailing B&O, Retail Sales Tax, Regional Transit Authority | WAC 458-20-173 |
| Catering | Retailing B&O, Retail Sales Tax, Regional Transit Authority, Wholesaling B&O, King County Food & Beverage | WAC 458-20-119; 124; 12401 |
| Child Care | Child Care B&O (School Age Children) | WAC 458-20-167; Child Care Operators Fact Sheet |
| Collection Contracts (without escrow) | Service & Other Activities B&O | WAC 458-20-156 |
| Commission Salespersons/Agents | Service & Other Activities B&O | WAC 458-20-159 |

| Business Activity | Tax Classification | Rules/Laws |
|---|---|---|
| Computer Services | Service & Other Activities B&O, Retailing B&O, Retail Sales Tax, Regional Transit Authority, Wholesaling B&O | WAC 458-20-155; 15501; 224 |
| Consumer Goods | Retailing B&O, Retail Sales Tax, Regional Transit Authority, Wholesaling B&O, Litter Tax | RCW 82.04.050 |
| Construction | Wholesaling B&O, Retailing B&O, Retail Sales Tax, Regional Transit Authority, Public Road Construction B&O, Government Contracting B&O | WAC 458-20-170; 17001; 171; 172; 173; Construction Tax Guide |
| Court Reporters | Service & Other Activities B&O | WAC 458-20-224 |
| Credit Bureau Services | Retailing B&O, Retail Sales Tax, Regional Transit Authority | RCW 82.04.050 |
| Data Processing | Service & Other Activities B&O, Retailing B&O, Retail Sales Tax | WAC 458-20-155; RCW 82.04.192.257 |
| Dentists/Orthodontists | Service & Other Activities B&O, Retailing B&O, Retail Sales Tax, Regional Transit Authority | WAC 458-20-151 |
| Design Services | Service & Other Activities B&O, Retailing B&O, Retail Sales Tax, Regional Transit Authority | WAC 458-20-224; 170 RCW 82.04.050 |
| Engineers | Service & Other Activities B&O, Retailing B&O, Retail Sales Tax, Regional Transit Authority | WAC 458-20-170; 224 |
| Escrow Services | Retailing B&O, Retail Sales Tax, Regional Transit Authority | WAC 458-20-156 |
| Farming for Hire | Service & Other Activities B&O | WAC 458-20-209 |
| Games of Chance | Service & Other Activities B&O | WAC 458-20-131 |
| Graphic Design | Service & Other Activities B&O, Retailing B&O, Retail Sales Tax, Regional Transit Authority | WAC 458-20-224; 155; RCW 82.04.050 |
| Grocery & Convenience Stores | Retailing B&O, Retail Sales Tax, Regional Transit Authority, Litter Tax | WAC 458-20-244; 243; Convenience Store Guide |
| Hotels, Motels | Retailing B&O, Retail Sales Tax, Regional Transit Authority, Convention & Trade, Special Hotel/Motel, King County Food & Beverage, Service & Other Activities B&O | WAC 458-20-118; 124; 12401; 166 |
| Insurance Agent, Broker, Solicitor | Insurance Agent Commissions | WAC 458-20-164; 163 |
| Insurance Adjuster | Service & Other Activities B&O | WAC 458-20-212 |
| Internet Service Providers | Service & Other Activities B&O | WAC 458-20-155; 224 |
| Janitorial | Service & Other Activities B&O | WAC 458-20-172 |

| Business Activity | Tax Classification | Rules/Laws |
|---|---|---|
| Landscape Gardeners | Retailing B&O, Retail Sales Tax, Regional Transit Authority | WAC 458-20-226; RCW 82.04.050 |
| Laundry Services | Retailing B&O, Retail Sales Tax, Regional Transit Authority | WAC 458-20-165; 173 |
| Legal, Arbitration, & Mediation | Service & Other Activities B&O | WAC 458-20-207; 224 |
| Mailing Bureaus | Retailing B&O, Retail Sales Tax, Regional Transit Authority, Wholesaling B&O | WAC 458-20-141 |
| Optometrists | Service & Other Activities B&O, Retailing B&O, Retail Sales Tax, Regional Transit Authority | WAC 458-20-150 |
| Painting | Retailing B&O, Retail Sales Tax, Regional Transit Authority, Wholesaling B&O, Government Contracting B&O | WAC 458-20-173; 170; 17001 |
| Photographers | Retailing B&O, Retail Sales Tax, Regional Transit Authority, Wholesaling B&O, Service & Other Activities B&O | WAC 458-20-140 |
| Physicians | Service & Other Activities B&O | WAC 458-20-138; 151; 18801 |
| Pressure Washing | Retailing B&O, Retail Sales Tax, Regional Transit Authority, Wholesaling B&O | WAC 458-20-173; RCW 82.04.050 |
| Private Investigators | Service & Other Activities B&O | WAC 458-20-224 |
| Protective Services | Service & Other Activities B&O | WAC 458-20-224 |
| Rental of Equipment with Operator | Retailing B&O, Retail Sales Tax, Regional Transit Authority, Wholesaling B&O | WAC 458-20-211; RCW 82.04.050 |
| Repair Tangible Personal Property | Retailing B&O, Retail Sales Tax, Regional Transit Authority, Wholesaling B&O | WAC 458-20-173 |
| Restaurants | Retailing B&O, Retail Sales Tax, Regional Transit Authority, Litter Tax, King County Food & Beverage | WAC 458-20-12401; 119; 124; Restaurant Guide |
| Royalties | Royalties B&O | RCW 82.04.2907 |
| Sales of Goods to U.S. Government | Retailing B&O, Retail Sales Tax | WAC 458-20-190 |
| Sales to State/Local Government/Schools | Retailing B&O, Retail Sales Tax, Regional Transit Authority | WAC 458-20-189 |
| Secretarial/Clerical/ Stenographers | Service & Other Activities B&O | WAC 458-20-224 |
| Software | Retailing B&O, Retail Sales Tax, Regional Transit Authority, Service & Other Activities B&O | WAC 458-20-155; 15501; RCW 82.04.215 |

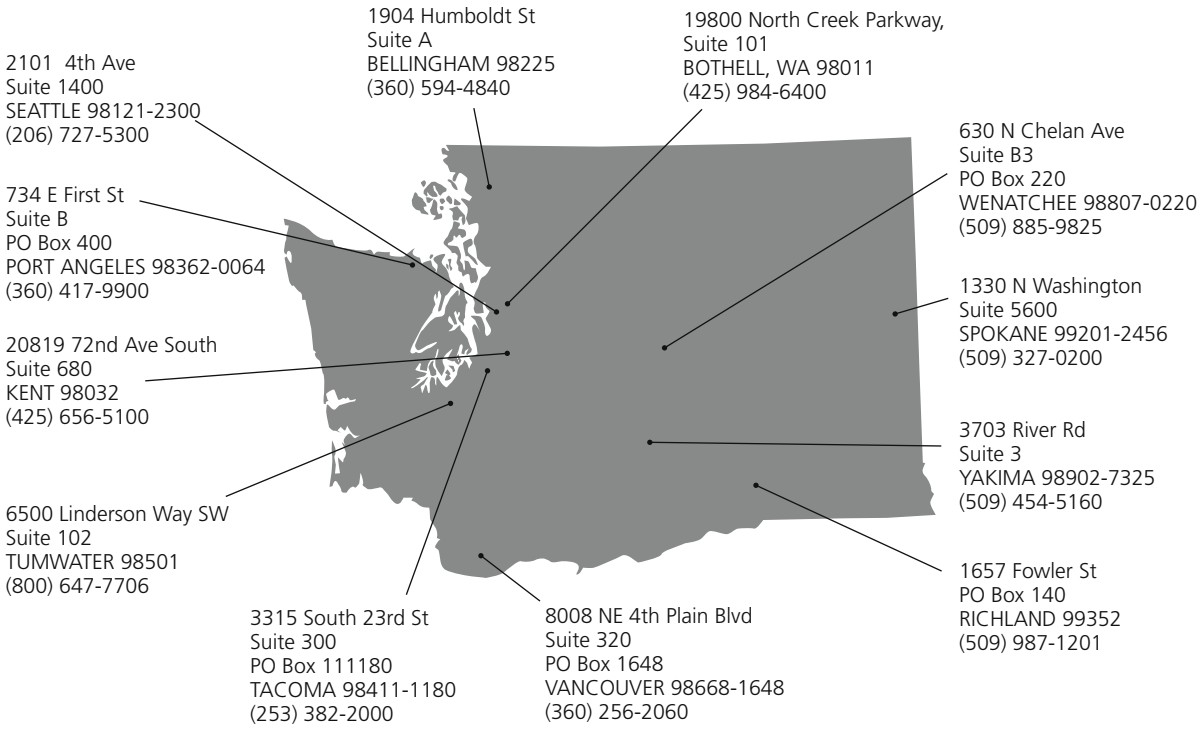
| Business Activity | Tax Classification | Rules/Laws |
|---|---|---|
| Taverns | Retailing B&O, Retail Sales Tax, Regional Transit Authority, Litter Tax, King County Food & Beverage, Service & Other Activities B&O | WAC 458-20-119; 124; 12401; 131; 243 Tavern Guide |
| Taxi | Urban Transportation Public Utility Tax, Motor Transportation Public Utility Tax | WAC 458-20-180; 179 |
| Tour Operators | Service & Other Activities B&O, Retailing B&O, Retail Sales Tax, Regional Transit Authority | WAC 458-20-183; 258 |
| Travel Agents | Travel Agent Commission B&O | WAC 458-20-258 |
| Trucking | Urban Transportation Public Utility Tax, Motor Transportation Public Utility Tax | WAC 458-20-180; 179; 193D; Trucking Guide |
| Vending Machines | Retailing B&O, Retail Sales Tax, Regional Transit Authority | WAC 458-20-244 |
| Veterinarians | Service & Other Activities B&O, Retailing B&O, Retail Sales Tax, Regional Transit Authority | WAC 458-20-222; Veterinarians Guide |

# Department of Revenue Taxpayer Assistance

Visit our website at: dor.wa.gov

Telephone Information Center 1-800-647-7706

## Local Office Locations




For tax assistance or to request this document in an alternate format, visit http://dor.wa.gov or call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711.

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