Tell Us What You Think

Since its inception about ten years ago, Tax Facts has remained unchanged. Now we’d like to hear your thoughts on how this publication can better meet your needs. We’d also like to know whether you find the publication useful and the type of information you are most interested in receiving.

We value your feedback and appreciate your input. Please take a few minutes to complete our online survey. Go to our web site, http://dor.wa.gov and click on “Washington Tax Facts” under the Publications button.

What Businesses Are Saying About Electronic Filing:

“Thanks for a very friendly, well developed process for filing my state combined excise tax return. I appreciate tools like this that make my work easier.”

Tim McCloskey
Compass Green Landscape & Lawn Care
Poulsbo, WA

Join the 22,000 businesses who are getting it right the first time by filing electronically. Go to http://dor.wa.gov and click on the ELF icon to see how easy it is to get started.

Unclaimed Property Reports Due November 1

Washington State law requires businesses and other organizations to review their records each year to determine whether they hold any property that has been unclaimed for a set period of time. Businesses must file an unclaimed property report by November 1 each year.

The most common types of unclaimed property held by businesses include:

♦ Unclaimed wages
♦ Gift certificates
♦ Customer credits
♦ Uncashed checks

Unclaimed wages or payroll checks are presumed abandoned after one year. Most other property is presumed abandoned after five years.

Unclaimed property reports can now be submitted via diskette using Excel or Excel convertible file format. To find out how to file unclaimed property reports or for more information, please visit the Department’s web site, http://dor.wa.gov. You may also call (360) 753-5531, e-mail us at ucp@dor.wa.gov, or write to Department of Revenue, Unclaimed Property, PO Box 448, Olympia, Washington 98507-0448.
Q. Does “use” tax apply to charges for shipping?

A. Effective June 1, 2002, shipping, freight, postage, and delivery costs charged by the seller of tangible personal property are subject to use tax if the property itself is subject to the tax.

When calculating use tax, the measure of tax is the value of the article used. As a result of recent legislation, Senate Bill 6835, the “value of article used” was changed to include charges for freight, shipping, or other like transportation charges paid as consideration to the seller.
Changes to Interpretive/Policy Statements

The Department issues interpretive and policy statements such as Excise Tax Advisories (ETA), Interim Audit Guidelines (IAG) and Special Notices to explain how tax applies to a specific set of facts or to address specific issues. These statements are issued or cancelled periodically based primarily on changes in the tax law. Statements that are cancelled can no longer be relied upon for tax application.

The following statements were recently issued or cancelled:

**Excise Tax Advisories (ETA)**

**Issued**

- 2008.08.178 Deferred sales tax – June 5, 2002
- 2002.16.179 Low density light and (4th revision) power utility deduction – June 20, 2002

**Cancelled**

- 165.04.109 Interest received on funds procured for affiliated companies – June 30, 2002
- 571.04.169 Taxability of investment income – June 30, 2002

**Interim Audit Guidelines (IAG)**

**Cancelled**

- IAG 01.01 Deferred sales tax – June 5, 2002
- IAG 04. Taxability of investment income – June 30, 2002

Sign Up for a Tax Workshop Today

Register for workshops online at [http://dor.wa.gov/content/services/services_wrkshop.asp](http://dor.wa.gov/content/services/services_wrkshop.asp) or call the number listed.

New Business Outreach

New Business Outreach (NBO) Workshops provide a basic overview of taxes that apply to various business activities in Washington. Topics include tax reporting classifications, deductions, collecting sales tax, and record keeping requirements.

<table>
<thead>
<tr>
<th>Date</th>
<th>Workshop Location</th>
<th>Time</th>
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<tbody>
<tr>
<td>9/18/02</td>
<td>Dept. of Revenue, 4407 N. Division, 8th floor of Northtown Office Building, Spokane, 509/482-3805</td>
<td>8:30 am – 11:30 am; 1:30 pm – 4:30 pm</td>
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<tr>
<td>9/18/02</td>
<td>Capitol Plaza, 1025 Union Ave SE, 1st floor, Conference Room, Olympia, 360/486-2366</td>
<td>1:30 pm – 4:30 pm</td>
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<tr>
<td>10/2/02</td>
<td>Dept. of Revenue, 2101 - 4th Avenue, Suite 1400 (cross street Lenore), Seattle, 206/956-3002</td>
<td>1:00 pm – 4:00 pm</td>
</tr>
<tr>
<td>10/8/02</td>
<td>Bellingham Worksource Office, 101 Prospect Street, Suite 10, Conference Room, Bellingham, 360/676-2114</td>
<td>1:00 pm – 4:00 pm</td>
</tr>
<tr>
<td>10/9/02</td>
<td>Lakewood Library, 6300 Wildaire Road SW Lakewood, 253/593-2722</td>
<td>1:00 pm – 4:00 pm</td>
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<tr>
<td>10/15/02</td>
<td>Douglas County Fire Station, 377 Eastmont Ave, East Wenatchee, 509/663-9714</td>
<td>1:30 pm – 4:00 pm</td>
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<tr>
<td>10/22/02</td>
<td>SeaTac Occupational Skills Center, Yorkmark Conference Center, 18010 8th Ave S, Burien, 1-800-647-7706</td>
<td>10:00 am – 12:00 pm</td>
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Construction Industry Tax Workshop

This two-hour workshop is structured to provide tax information specific to the construction industry. Topics include custom construction, speculative building, government contracting, public road construction, and much more.

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New Special Notices

Sales of Explosives, reissued June 27, 2002, clarifies the tax treatment of sales of explosives.

Changes Relating to the Definition of Rental of Real Estate for Hotels and Motels, issued July 3, 2002, discusses the impact of new legislation, Second Substitute House Bill (2SHB) 1531, regarding the tax application to furnishing lodging for 30 continuous days or more.

Use Tax on Out-of-state Repairs, issued July 29, 2002, discusses the impact of new legislation, Senate Bill (SB) 6835, regarding use tax liability on repairs performed outside the state on property that is then brought into Washington.

Listserv, our new e-mail distribution service, keeps you up-to-date on the latest Revenue development and information.

What is Listserv?
Listserv is a one-way broadcast system that allows the Department to send information updates to you via e-mail. You can receive information on a variety of topics.

What information is available?
We have a wide variety of topics, including:
- Electronic Filing (ELF)
- Excise Taxes
- Sales Tax Rate Updates
- Property Tax Newsletter
- DOR News Releases
- Economic Development Council
- Safe Deposit Box Auction
- Unclaimed Property (UCP)

How do I subscribe?
From the DOR home page, simply go to “Contact Us,” click on “Join E-mail Service” under Find it Fast, and click on the topics that interest you. Check it out!

Washington Administrative Rules

The Department of Revenue is responsible for administering most of the tax laws enacted by the Washington State Legislature. As a part of this responsibility, the Department publishes rules to assist taxpayers in understanding their tax reporting requirements. Title 458 of the Washington Administrative Code (WAC) contains the rules written by the Department. Each chapter in Title 458 contains the rules interpreting the statutes found in the Revised Code of Washington (RCW). These rules address excise taxes, property tax, real estate excise tax, forest tax, and other miscellaneous taxes. A rule has the same force and legal effect as the statute itself, unless it is declared invalid by a court of law.

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<tr>
<td>458-20-17803 Use tax on promotional materials  Emergency rule effective 6/1/02</td>
<td>458-12-140 Taxing district boundaries – Designation of tax code area-effective 7/21/02</td>
<td>458-12-135 Listing of property-taxing district-repealed 7/21/02</td>
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<tr>
<td>458-20-185 Tax on tobacco products-Emergency rule effective 7/1/02</td>
<td>458-16-560 Housing for very low income-effective 8/8/02</td>
<td>458-53-090 Department generated sales studies-repealed 7/25/02</td>
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<td>458-20-192 Indians - Indian country-Amended effective 8/2/02</td>
<td>458-53-030 Stratification of assessment rolls-effective 7/25/02</td>
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<td>458-20-217 Lien for taxes-Amended effective 8/23/02</td>
<td>458-53-050 Land use stratification, etc.-effective 7/25/02</td>
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<td>458-53-140 Personal property ratio study-effective 7/25/02</td>
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Rules are available via the Department’s web site, http://dor.wa.gov.