

TaxFacts

Major Tax Legislation Changes

The 2009 Legislature made a number of changes to taxes and programs administered by the Department of Revenue. This publication provides a brief summary of some of the bills affecting excise taxes that were signed into law. If you think that a bill may affect you or your business, please refer to the bill at: <http://apps.leg.wa.gov/billinfo/>

Monthly filers are required to file and pay electronically

All monthly filers must file and pay their taxes electronically, starting with the July 2009 return, due August 25.

See page 2.

Digital products now subject to sales tax

Beginning July 26, 2009, digital products ranging from streaming video to online newsletters will be subject to sales or use tax.

See page 2.

New Seller's Permit replaces Resale Certificates

Effective January 1, 2010, the resale certificate will be replaced with a seller's permit issued by the Department of Revenue.

See page 3.

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Monthly filers are required to file and pay electronically

All monthly filers must file and pay their taxes electronically, starting with the July 2009 return, due August 25. This change is the result of new legislation – SSB 5571 (chapter 176, Laws of 2009).

E-file, our online filing tool, is found on our web site at <http://dor.wa.gov>. If you are a new user, you will need to create a logon ID and password.

If you are currently required to pay your taxes using electronic funds transfer, continue to do so. If you are new to paying electronically, the Department offers these options:

- Electronic funds transfer (EFT) – You must register to use this option. Allow three days for processing.
- E-check – US Bank charges you a one dollar fee for each transaction.
- Credit cards (Visa, MasterCard, American Express or Discover) – a 2.5 percent fee is charged by a non-state vendor for this service.

For more information on this new legislation, visit <http://dor.wa.gov/mandatorye-file> or call 1-877-345-3353.

Digital products now subject to sales tax

Beginning July 26, 2009, digital products ranging from downloaded music and streaming video to online legal research services will be subject to sales or use tax. ESHB 2075 (chapter 535, Laws of 2009) clarifies how taxes apply to digital products that exist only as computer bits and bytes.

The bill defines digital products as goods and services transferred or accessed electronically. While downloaded digital goods (such as music, movies, etc. and other standard information) have always been subject to sales or use tax, ESHB 2075 applies sales or use tax to all digital products, regardless of how they are accessed (downloaded, streamed, subscription service, networking, etc.).

Digital products subject to sales or use tax include:

- Downloaded digital goods (music, movies, etc. and other standard information).
- Streamed and accessed digital goods.
- Digital automated services (services that have been automated and are transferred electronically).
- Remote access software (prewritten software provided remotely).

The bill also covers remote access software (e.g. application service providers), which is now subject to sales and use tax too. It does not matter if the purchaser obtains a permanent or nonpermanent right of use.

The bill also:

- Details certain exclusions and exemptions from sales or use tax.
- Requires sellers of digital products to electronically file their tax returns.
- Provides amnesty to those who didn't collect or pay sales or use tax on digital products that were taxed before July 26, 2009.

For more detailed information on how this new law affects the taxability of digital products, including definitions and detailed questions and answers, see <http://dor.wa.gov/digitalproducts>.

New Seller's Permit replaces Resale Certificates

Effective January 1, 2010, the resale certificate will be replaced with a seller's permit issued by the Department of Revenue, SB 6173 (chapter 563, Laws of 2009). Seller's permits will be issued to businesses that make wholesale purchases, including qualified contractors. The permits allow businesses to purchase items or services for resale in Washington without paying retail sales tax.

The Department will issue seller's permits based on specific criteria currently being developed. In September 2009, businesses will be notified if they are getting a permit. Those receiving permits will get them in the mail in the fall.

Businesses that don't automatically receive a seller's permit may apply directly to the Department. The application will also be available on the web site dor.wa.gov in the fall.

Seller's permits will expire after a certain time period. The length of time a permit is valid depends on when the business registered with the Department. Businesses registered:

- Before January 1, 2009, will get a permit valid for 4 years.
- On or after January 1, 2009, will get a permit valid for 2 years that can be renewed for 4 years.

Special rules apply to the construction industry. Qualifying contractors must reapply every year because seller's permits for the construction industry are only valid for 12 months. Contractors will use a separate seller's permit application that includes detailed information on materials and labor purchased.

Buyers that don't receive Department-issued seller's permits must pay retail sales tax on their purchases. However, if the purchase is a qualifying wholesale transaction, they can take a "Tax Paid at Source" deduction on their tax return to recover the sales tax paid, or request a refund from the Department.

For additional information on this change, see <http://dor.wa.gov/sellerspermit>.

More 2009 Legislative Tax Changes

* Indicates a Special Notice will be issued.

Business & Occupation (B&O), Sales, and Use Taxes

Intrastate commuter aircraft - HB 1287 (chapter 503, Laws of 2009) exempts purchases of commuter air carriers for use in intrastate commerce from sales and use taxes. "Commuter air carriers" are air carriers holding authority under Title 14, part 298 of the federal regulation code, that carry passengers on at least five round trips per week, on at least one route between two or more points. *Effective July 26, 2009.*

Nonprofit legal services for low-income individuals B&O tax exemption - HB 1579 (chapter 508, Laws of 2009) provides a B&O tax exemption for nonprofit organizations that primarily provide legal services to low-income individuals from whom no charge for services is collected. A "nonprofit" means an organization exempt from federal income tax under Title 26 U.S.C. Sec. 501(c) of the Federal Internal Revenue Code. *Effective July 26, 2009.*

***Newspaper B&O tax reduction - EHB 2122** (chapter 461, Laws of 2009) provides a reduced B&O tax rate of 0.2904 percent (0.002904) for businesses that print newspapers, publish newspapers, or both print and publish newspapers. *Effective July 1, 2009.*

***Sales and use tax exemptions for senior citizens of qualified low-income senior housing facilities - HB 5470** (chapter 483, Laws of 2009) provides a sales/use tax exemption for meals and bundled service packages provided by the lessor or facility operator for residents at least 62 years of age of qualified low-income senior housing facilities. A qualified low-income senior housing facility must:

- Meet the definition of a qualified low-income housing project under Title 26 U.S.C. Sec. 42 of the Federal Internal Revenue Code;
- Be partially funded under Title 42 U.S.C. Sec. 1485 of the Federal Internal Revenue Code; and
- The lessor or operator has at any time been entitled to claim a federal income tax credit under Title 26 U.S.C. Sec. 42 of the Federal Internal Revenue Code.

Effective August 1, 2009.

***Sourcing for direct mail sellers - SSB 5566** (chapter 289, Laws of 2009) changes the sourcing rules for direct mail sellers, when the direct mail both originates and is delivered within Washington. The bill does not change the sourcing rules for direct mail that is delivered into Washington from outside the state. *Effective July 26, 2009.*

Bunker fuel sales – SB 6096 (chapter 494, Laws of 2009) clarifies that manufacturing bunker fuel (fuel intended for consumption outside of U.S. waters by vessels in foreign commerce) in Washington is subject to the manufacturing B&O tax classification. Manufacturers are also required to report their sales of bunker fuel under the wholesaling or retailing B&O tax classification. A deduction is available from wholesaling or retailing B&O tax for sales of bunker fuel; however, this deduction is not available under the manufacturing B&O tax. *Effective prospectively and retroactively.*

***Radioactive waste cleanup – ESSB 6170** (chapter 469, Laws of 2009) expands the reduced B&O tax rate of 0.471 percent (0.00471) for persons engaged in work under a cleanup contract with the U.S. Department of Energy. This includes certain support services, that are either within the scope of, or assist in the requirement of, a subcontract for radioactive waste cleanup. *Effective July 1, 2009.*

***Livestock nutrient management equipment and facilities – ESSB 6170** (chapter 469, Laws of 2009) expands and clarifies sales and use tax exemptions for qualifying livestock nutrient management equipment and qualified livestock nutrient management facilities. The bill provides a list of equipment and facilities that qualify for the exemption. Labor and services related to construction of a new livestock nutrient management facility, or to replacing such a facility, do not qualify for the exemption. *Effective July 1, 2009.*

Tax Incentive and Renewable Energy Programs

***Electric vehicles - 2SHB 1481** (chapter 459, Laws of 2009) allows a sales and use tax exemption for the sale or use of batteries for electric vehicles, and the sale or use of tangible personal property that will become infrastructure for electric vehicles. Electric vehicle infrastructure includes battery charging stations, rapid charging stations, and battery exchange stations. The bill also provides a sales/use tax exemption for labor and services rendered in respect to installing, repairing, altering, or improving electric vehicle batteries and for installing, constructing, repairing, or improving electric vehicle infrastructure. *Effective July 26, 2009; expires January 1, 2020.*

High technology retail sales and use tax deferral – SB 5909 (chapter 268, Laws of 2009) amends chapter 82.63 RCW to clarify that “multiple qualified buildings” leased to the same person within a five mile radius are eligible for the deferral under one application if construction is initiated within a 60 month period. Previously, a separate application would have been required by each lessor. The bill is retroactive to June 20, 2007. *Effective July 26, 2009.*

***Biomass energy incentives – ESSB 6170** (chapter 469, Laws of 2009) provides a B&O tax credit for harvesters of forest-derived biomass sold, transferred, or used for production of electricity, steam, heat, or biofuel as follows:

- For forest-derived biomass harvested July 1, 2010, through June 30, 2013. \$3 per harvested green ton.
- For forest-derived biomass harvested from July 1, 2013, through June 30, 2015 - \$5 per harvested green ton.

Effective July 1, 2009; expires June 30, 2015.

***Hog fuel sales and use tax exemptions – ESSB 6170** (chapter 469, Laws of 2009) provides a sales/use tax exemption on purchases 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. *Effective July 1, 2009; expires June 30, 2013.*

***Hybrid vehicle sales and use tax exemption ends - ESSB 6170** (chapter 469, Laws of 2009), repeals the sales/use tax exemptions allowed on purchases of certain hybrid vehicles. The exemption from the Motor Vehicle Sales/Use Tax (0.3 percent) remains in effect on purchases of new hybrid vehicles through December 31, 2010. See article on page 7. *Effective August 1, 2009.*

***Renewable energy – ESSB 6170** (chapter 469, Laws of 2009) provides a sales and use tax exemption on purchases and installation of machinery and equipment that will be used directly in a facility that generates no more than ten kilowatts of electricity using solar energy.

In addition, the bill provides a sales and use tax exemption on purchases and installation of machinery and equipment that will be used directly in a facility that generates no less than 1,000 watts of electricity from fuel cells, sun, wind, biomass energy, tidal and wave energy, geothermal resources, anaerobic digestion, technology that converts otherwise lost energy from exhaust, or landfill gas.

- From July 1, 2009, through June 30, 2011, the exemption is 100 percent of the sales or use tax paid.
- From July 1, 2011, through June 30, 2013, the exemption is in the form of a refund from the Department of Revenue of 75 percent of sales or use tax paid.

Effective July 1, 2009; expires June 30, 2013.

***Solar energy systems incentives – ESSB 6170** (chapter 469, Laws of 2009)

- Reduces the B&O tax rate from 0.2904 percent to 0.275 percent for businesses that manufacture or manufacture and sell at wholesale:
 1. Solar energy systems using photovoltaic modules.
 2. Solar grade silicon, silicon solar wafers, silicon solar cells, thin film solar devices, or compound semiconductor solar wafers to be used exclusively in the components of such systems.

Effective October 1, 2009; expires June 30, 2014.

- Expands the sales and use tax exemption for gases and chemicals used in producing semiconductor materials. *Effective July 1, 2009; expires December 1, 2018.*

- Extends the public utility tax cost recovery program for renewable energy systems to “community solar projects.” Community solar projects are eligible for incentive payments of 30 cents for each kilowatt-hour of energy produced. The total amount an applicant, including an individual, household, business, local government, or community solar project, is eligible for is increased from \$2,000 to \$5,000 per year. *Effective July 1, 2009.*

Other Legislation

Electrolytic processing public utility tax exemption – SHB 1062 (chapter 434, Laws of 2009) extends the expiration date of the public utility tax exemption available to light and power businesses on sales of electricity to a chlor-alkali or a sodium chlorate electrolytic processing business to December 31, 2018. *Effective July 26, 2009.*

Creating tourism promotion areas - 2SHB 1290 (chapter 442, Laws of 2009) allows counties with a population over one million and the cities within such counties that form joint legislative authorities to establish tourism promotion areas for the intent of increasing local tourism and convention activity. Previously, tourism promotion areas were not allowed in counties with a population greater than one million. *Effective July 26, 2009.*

Vehicle dealer document service fees - ESHB 1939 (chapter 123, Laws of 2009) increases the amount that vehicle dealers may charge as document service fees from a maximum of \$50 to a maximum of \$150 per vehicle sale or lease. The document service fee must be disclosed in writing to a prospective purchaser/lessee before execution of the purchase and sale or lease agreement and separately stated from the selling price and from any other taxes, fees, or charges. The disclosure must also state that the documentary service fee is negotiable and that the fee charge is not required by law to be paid by either the dealer or prospective purchaser/lessee. The increase is effective through June 30, 2014. On July 1, 2014, the maximum document service fee allowable reverts back to \$50. *Effective July 26, 2009.*

Public facilities district formation - EHB 2299 (chapter 533, Laws of 2009) allows a public facilities district (PFD) to be created by at least two legislative authorities if one or more has a previously existing public facilities district. PFDs may be comprised of a maximum of three contiguous cities separately or in combination with a maximum of two contiguous counties. Subject to public vote, the PFD can impose a 0.2 percent local sales/use tax for acquisition, construction, and operation of public facilities, such as sports and entertainment centers. *Effective July 26, 2009.*

Local community revitalization financing program - 2SSB 5045 (chapter 270, Laws of 2009) creates a new local revitalization financing program that invests in public infrastructure to promote community and economic development. It authorizes cities and counties

to create “revitalization areas” (RAs) and allows certain increases in local sales/use tax and local property tax revenues generated within the RA, additional funds from other local public sources, and a state contribution to be used for payment of bonds issued to finance local public improvements in the RA. The state contribution is provided through a local sales/use tax that is credited against the state sales/use tax and is limited to \$4,750,000 per fiscal year.

The bill designates seven demonstration projects for a variety of state contributions. It also allows other projects to be considered by the Department on a first-come basis and limits the state contribution for such awards to a maximum \$500,000 per project. The bill establishes processes for creating RAs, limitations for those areas, conditions on use of local revitalization funding, and processes for applying to the Department of Revenue for a state contribution. *Effective July 26, 2009.*

Local infrastructure financing tool program changes - ESSB 5901 (chapter 267, Laws of 2009) makes many administrative and technical changes to the local infrastructure financing tool (LIFT) program to simplify the program currently awarded to nine projects throughout the state. Changes include:

- The growth in state and local sales tax revenue is based on estimates and the “base year/measurement year” provisions are eliminated.
- Allows LIFT funds be used to pay for public improvements financed through other kinds of indebtedness, not just bonds.
- Adds reporting requirements for annual reporting by the projects to the Community Economic Revitalization Board (CERB) and the Department of Revenue.
- Clarifies local sales/use tax rate setting limitations and requires existing LIFT jurisdictions to pick a tax rate by September 1, 2009, for the tax the jurisdiction will eventually impose.

Effective July 26, 2009.

***Tire fee – SB 5976** (chapter 261, Law of 2009) eliminates the sunset date for the tire fee. The effect is that the tire fee is imposed indefinitely. The law makes no changes in how the fee is applied. Retailers are required to collect a \$1 per tire fee on the retail sale of new replacement vehicle tires. The tire fee does not apply to sales of re-treaded vehicle tires or to tires provided free of charge under the terms of a recall or a warranty service. *Effective July 26, 2009.*

***Reduced log truck public utility tax rate - ESSB 6170** (chapter 469, Laws of 2009) reduces the public utility tax rate for hauling logs over public highways to 1.3696 percent (0.013696). Income from hauling logs over private roads remains subject to B&O tax under the service and other activities classification. *Effective July 1, 2009; expires June 30, 2013.*

Prior year's legislation taking effect in 2009

- **Deferral program for corporate headquarters located in community empowerment zones.** The 2008 Legislature passed a sales and use tax deferral (chapter 82. 82 RCW) to take effect July 1, 2009, for construction of corporate headquarters in a community empowerment zone (CEZ). The building investment must be at least \$30 million to qualify. The corporate headquarters must employ at least 300 people whose wages must exceed the state average annual wage. If program requirements are met, repayment of the deferred sales and use taxes is waived.
- **Reduced cigarette ignition propensity – 2SSB 5642** (chapter 239, Laws of 2008) Effective August 1, 2009, only reduced ignition cigarettes may be sold by wholesalers or retailers in Washington. Ignition strength will be measured by standards developed by the American Society of Testing and Materials. Manufacturers must mark certified cigarette packs, cartons, and cases before shipping to wholesalers or retailers. In-state manufacturers can still produce non-certified cigarettes as long as they are shipped out-of-state.

Telephone Information Center Hours

Monday - Friday 8 a.m. - 5 p.m.

1-800-647-7706

Tax Facts is going electronic

As part of our ongoing effort to deliver information and services as efficiently, effectively, and economically as possible, the Department of Revenue is discontinuing our twice-yearly Tax Facts mailing. The June 2009 edition will be the final edition mailed to taxpayers. Tax Facts will continue to be available online at dor.wa.gov.

Email notifications

This change will not impact our efforts to keep you well informed of changes in tax laws or reporting requirements. We will continue to provide the latest, up-to-date tax news and information via electronic notifications sent directly to your email address. To start receiving electronic updates, you'll need to provide us with your email address. Simply use our newly revamped secure *My account* for a real time update (see the following article for more detail) or provide your email address to us by selecting the "Doing Business" tab, then selecting *My account*.

Find new information easily

New laws, tax changes, and all additions to our web site are now available under "What's New" on our home page. Additionally, we will continue to mail important tax change information to all potentially impacted businesses.

Revenue brings new look to My account

June, we launched a new, improved *My account*, the secure portion of our web site. The redesigned pages offer simpler navigation, a cleaner look and easier access to the most popular tasks and tools.

My account provides access to secure applications such as E-file, secure e-mail and other tools. Along with electronically filing your taxes, you can add or close a business, update your address, register for electronic funds transfers and conduct other business with us.

If you've been doing business with us online, let us know what you think of the redesign. Please take the survey at <http://dor.wa.gov/Myaccountsurvey>. If you have not yet discovered the ease of doing business with Revenue online, just go to <http://dor.wa.gov>, click register now to create your account.

Property tax deferral for homeowners with limited income

If you are a homeowner with limited income, Washington has a program that may help you pay your property taxes and/or special assessments.

Under this deferral program, the Department of Revenue pays 50 percent of your property taxes and/or special assessments on your behalf. The program is not an exemption or a grant. Deferred taxes are taxes that have been postponed. When you no longer own and use the property as your personal residence, you must repay the deferred tax. The deferred amount, plus interest, becomes a lien in favor of the state until the total amount is repaid.

For more information, see our publication, *Property Tax Deferral for Homeowners with Limited Income* or call (360) 570-5900.

Hybrid vehicle sales tax exemption ends

The sales and use tax exemption for purchases or acquisitions of certain vehicles that use hybrid technology and have a mileage rating of at least 40 m.p.g. ends on August 1, 2009. (SSB 6170, chapter 469, Laws of 2009.)

The sales and use tax exemption was for sales of passenger cars, light duty trucks, and medium duty passenger vehicles that use hybrid technology and have a mileage rating of at least 40 m.p.g. The exemption took effect January 1, 2009. To qualify for the sales tax exemption, buyers must take delivery of qualifying vehicles in Washington on or before July 31, 2009. Lease payments due after August 1, 2009, on previously qualifying hybrid vehicles, will become subject to sales tax (unless another exemption applies).

Sales and leases of passenger cars, light duty trucks, and medium duty passenger vehicles that use hybrid technology and meet the qualifying mileage rating will continue to be exempt from the 0.3 percent motor vehicle tax until January 1, 2011.

The sales and use tax exemption remains in effect through January 1, 2011, for vehicles powered exclusively by a clean alternative fuel such as natural gas, propane, hydrogen or electric power.

The Department will publish a Special Notice to provide additional details on the end of this exemption and mail it to impacted dealers. The Special Notice will also be posted on our web site, dor.wa.gov.

Petroleum products tax re-imposed

Beginning July 1, 2009, the petroleum products tax (PPT) will be re-imposed. The tax is imposed on the first possession of petroleum products in this state. Beginning with the July 2009 and Quarter 3, 2009, tax returns, line 51 will be unshaded, reflecting re-imposition of the tax.

The PPT is not a new tax. It was originally enacted by the Legislature in 1989 to finance a state pollution liability insurance program. When funds in the account exceed \$15 million, the tax is turned off. This happened last in July 2004. The tax is being re-imposed because the account balance has dropped below the statutorily mandated level of \$7.5 million.

For more information, see our Special Notice, "Petroleum Products Tax Re-Imposed."

Upcoming changes to Department of Revenue tax returns

Due to upcoming law changes, the following revisions will appear on the July 2009 and Quarter 3, 2009, tax returns:

Combined Excise Tax Return:

- **Line 4 – Insurance Agents; Insurance Brokers:** will change to "Insurance Producers; Title Insurance Agents; Surplus Line Broker Commissions."
- **Line 51 – Petroleum Products Tax:** is no longer shaded as this tax has been reactivated.
- **Line 58 – State Enhanced 911, TRS, & WTAP:** the rate is reduced from 0.45 to 0.44.

Combined Excise Tax Return Deduction Detail:

- **Line 4 deduction** – title changed to "Insurance Producers; Title Insurance Agents; Surplus Line Broker Commissions."
- **Line 51 deduction** – shading removed as the tax has been reactivated.

Public Utility Tax Addendum:

- **Line 4 – Gas Distribution; Telegraph (26):** will change to "Gas Distribution; Telegraph; Express Business (26)."
- **New line 8 – Log Hauling Over Public Highways (9125):** added with a rate of 0.0128.
- **Page 2 – State Public Utility Tax Deduction Detail:**
 - **Line 4** – added Express Business to title.
 - **New Line 8** – Revised to include deductions for new line.

Rule making

Following is a listing of the Department of Revenue's recent tax rule adoptions and repeals. For specific information on the rule changes, to obtain a copy of a newly adopted rule, or for more information regarding how these rules may affect you, contact us online at dor.wa.gov and click on "Find a rule or law," then one of the bullets under "Rule making." You may also call our Telephone Information Center at 1-800-647-7706.

Excise tax rules (WAC) adopted or amended:

- 458-20-100 Appeals. Effective March 1, 2009.
- 458-20-15501 Computer hardware, computer software, information service, and computer services. Effective January 16, 2009.
- 458-20-279 Clean alternative fuel vehicles and high gas mileage vehicles. Effective January 31, 2009.

Property tax rules (WAC) adopted or amended:

- 458-07-030 True and fair value-Defined-Criteria - Highest and best use-Data from property owner. Effective March 1, 2009.
- 458-12-140 Taxing district boundaries - Designation of tax code area. Effective March 1, 2009.
- 458-16-560 Housing for very low-income households. Effective March 1, 2009.
- 458-18-220 Refunds – Rate of interest. Effective January 2, 2009.
- 458-30-200 Definitions. Emergency rule effective April 29, 2009.
- 458-30-262 Agricultural land valuation – Interest rate – Property tax component. Effective January 2, 2009.
- 458-30-540 Rate of inflation – Publication – Interest rate – Calculation. Effective January 3, 2009.

Estate tax rules (WAC) adopted or amended:

- 458-57-105 Nature of estate tax, definitions. Effective February 22, 2009.
- 458-57-115 Valuation of property, property subject to estate tax, and how to calculate the tax. Effective February 22, 2009.

Forest tax rules (WAC) adopted or amended:

- 458-40-540 Forest land values – 2009. Effective January 1, 2009.
- 458-40-660 Timber excise tax – Stumpage value tables – Stumpage value adjustments. Emergency rule effective May 20, 2009.

Real estate excise tax rules (WAC) adopted or amended (all effective January 2, 2009):

- 458-61A-102 Definitions.
- 458-61A-202 Inheritance or devise.
- 458-61A-203 Community property, dissolution of marriage or domestic partnership, legal separation, decree of invalidity.

Changes to interpretive/policy statements

We issue interpretive and policy statements, such as Excise Tax Advisories (ETA) and Property Tax Advisories (PTA), 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.

Department adopts new ETA/PTA numbering system

Effective February 2, 2009, the Department cancelled all then-current ETAs and PTAs. The ETAs and PTAs that have continued were reissued with new numbers. The new ETA series begins at 3001 followed by the year of issuance. The new PTA series begins with 1.1 followed by the year it was issued.

To assist taxpayers, we have published a table (ETA 3001.2009) that cross references the old ETA number to their new ETA numbers. The table lists all ETAs that existed on July 1, 1999, or were issued after that date and before the 3000 series. Where an ETA has been cancelled, the date of the cancellation is noted and an explanation of the cancellation is provided in ETA 3002.2008 or a subsequent update.

Excise tax advisories (ETAs) adopted:

- 3001.2009 Excise tax advisories – cross reference table. Issued February 2, 2009.
- 3003.2009 Taxability of yoga, tai chi, and qi gong. Originally issued December 1, 2008; cancelled and reissued under new number February 2, 2009.
- 3043.2009 (first revision) Low density light and power utility deduction. Issued May 27, 2009.
- 3104.2009 Physical fitness services – specialized exercise and conditioning activities. Original first revision issued December 1, 2008; cancelled and reissued under new number February 2, 2009.
- 3156.2009 Disaster relief funds provided by FEMA and the Red Cross. Issued February 10, 2009.
- 3157.2009 Information technology services and the preferential B&O rate under RCW 82.04.263. Issued February 25, 2009.

Excise tax advisories cancelled (all effective January 29, 2009, unless otherwise noted):

- 35.04.189 Municipal income from meters in ferry terminal parking lot.
- 48.04.114 Exemption of dues from business and occupation tax.
- 91.08.166 Lease for the purpose of releasing.
- 132.08.197 Sales tax liability of seller on buyer's refusal to pay.
- 145.04.193 Retention of title to secure payment of interstate sales of goods.
- 158.08.211 Deduction of finance charges from lease payments.
- 254.04.180 Livery service businesses.
- 310.32.101 Taxpayer has a duty to obtain knowledge of tax liability.
- 356.12.211 Use tax: Rentals put to personal use.
- 357.04.211 Bailments: Handling and cleaning charges.
- 376.08.170 Speculative builders in joint ventures.
- 387.08.156 Title insurance companies-retail sales tax liability on supplies.
- 432.04.147 Sales tax: Steno services as retail sales.
- 448.04.193 Domestic international sales corporations (disc).
- 558.04.193 Foreign sales corporations.

Property tax advisories (PTAs) reissued, adopted or amended (all effective February 2, 2009, unless otherwise noted):

- 1.1.2009 Specific questions related to administration of property taxes under I-695.
- 2.1.2009 Property tax bulletins cancelled.
- 4.2.2009 Specific question pertaining to the administration and qualification of the land on which a residence is sited for property classified as farm and agricultural land under chapter 84.34 RCW (REVISED).
- 5.1.2009 Specific question pertaining to land classified as farm and agricultural land under chapter 84.34 RCW, when the land qualifies for classification because of the commercial agricultural activity produced from perennial plantings.
- 6.1.2009 Property taxability of motor vehicles.

- 7.1.2009 Sales tax as an element of value.
- 8.1.2009 Appraisal of bed and breakfast establishments.
- 9.1.2009 Assessment of supplies.
- 10.1.2009 "True lease" or security agreement.
- 11.2.2009 Application of the Federal Servicemembers' Civil Relief Act and the Washington Service Members' Civil Relief Act to property tax administration.
- 12.1.2009 Classification of land used for christmas tree production.
- 13.1.2009 Impact of local zoning ordinances on property tax exemptions granted under chapter 84.36 RCW.
- 14.2.2009 Transfer or removal of land owned by a federally recognized Indian Tribe classified under chapter 84.33 or 84.34 RCW. Effective February 10, 2009.
- 15.1.2009 Low-income housing valuation.

Special Notices

The following Special Notices were issued since our last publication. These notices discuss current issues as well as changes resulting from new legislation. They are available online at <http://dor.wa.gov> under "Find taxes and rates" and "Get a form or publication." You may also call 1-800-647-7706 to have a copy sent to you.

- Determining the limit factor for increases in property tax levies. Issued April 22, 2009.
- Petroleum products tax reimposed. Issued May 6, 2009.
- Property tax exemption for nonprofit hospitals. Issued March 6, 2009.
- Property valuation appeals. Issued May 20, 2009.
- Public utility tax credits for "billing discounts" and "qualifying contributions." Issued May 7, 2009.
- Qualifying tax-exempt hybrid/alternative fuel vehicles. Issued January 2009.
- Telephone program excise tax rates for fiscal year 2010. Issued April 7, 2009.

Rule and law books no longer available through the Department of Revenue

The Department no longer provides hard copies of excise tax rules (Washington Administrative Code) and laws (Revised Code of Washington) to interested parties. If you would like copies of these publications, both the Revised Code of Washington (RCW) and Washington Administrative Code (WAC) are readily accessible and available to print online. Alternatively, the Washington State Code Reviser's Office offers the WAC and RCW for sale on CDs. The cost is \$50. You can access the order form at: <http://www1.leg.wa.gov/documents/laws/wsr/ordrform.pdf>.

BIZ FAIR

Mark your calendar

Washington Small
Business Fair (Biz Fair)

Saturday, September 12
8:00 a.m. to 4:00 p.m.

Biz Fair is the largest business fair in Washington. It is the place to go to receive practical information on how to start or expand a small business. A variety of experts will conduct seminars and provide information on topics ranging from taxes to business planning and marketing to web sites. The Department of Revenue will host a business tax overview and our representative will be available throughout the day to answer your specific questions. The fair will be held at:

Renton Technical College
3000 NE 4th Street
Renton, Washington

For a list of exhibitors, seminar topics, and directions to the fair, visit Biz Fair online at: www.bizfair.org.



Tax Workshops

Looking for a tax workshop in your area?

Check out our web site! We offer workshops free of charge throughout the state. To view the updated schedule, or for more information, visit our web site at dor.wa.gov and click on "Workshops and education" from the menu on the left.

Once you find the workshop that's right for you, **register online at dor.wa.gov or call us to sign up.**

Business Outreach

Learn the basics of Washington State taxes. As a small business or new business owner, this workshop will help you understand your tax reporting responsibilities.

07/13/09 Seattle 9:00 a.m. - 1:00 p.m.
Small Business Administration, Suite 450, 2401 4th Ave, Seattle – **To register call (206) 956-3002**

07/14/09 Bellingham 1:00 p.m. - 4:00 p.m.
Labor and Industries/DSHS Building, 1720 Ellis St, Bellingham – **To register call (360) 676-2114**

07/15/09 Spokane 8:30 a.m. - 11:30 a.m.
Rocky Pointe III, 1330 N Washington St, Spokane – **To register call (509) 327-0200**

07/15/09 Vancouver 1:00 p.m. - 4:00 p.m.
Department of Revenue, Suite 340, 8008 NE Fourth Plain Blvd, Vancouver – **To register call (360) 256-2060**

07/15/09 Renton 1:00 p.m. - 4:00 p.m.
Fairwood Library, 17009 140th Ave SE, Renton – **To register call (253) 437-3440**

07/15/09 Spokane 1:30 p.m. - 4:30 p.m.
Rocky Pointe III, 1330 N Washington St, Spokane – **To register call (509) 327-0200**

07/16/09 Bellevue 1:00 p.m. - 4:00 p.m.
Bellevue City Hall, 450 110th Ave NE, Bellevue – **To register call (425) 489-1723**

07/21/09 Port Angeles 9:00 a.m. - 12:00 pm.
Port of Port Angeles Building, 338 W First St, Port Angeles – **To register call (360) 417-9900**

07/21/09 Wenatchee 1:30 p.m. - 4:30 p.m.
Douglas County Fire District, 377 Eastmont Ave, East Wenatchee – **To register call (509) 663-9741**

07/30/09 Lacey 9:00 a.m. - 12:00 p.m.
Department of Revenue, Suite 200, 4565 7th Ave SE, Lacey – **To register call (360) 407-5001**

Construction

Do you know how tax applies to your construction activities? This workshop offers an in-depth discussion of taxes and custom construction, speculative building, government contracting, public road construction, and more.

06/24/09 Everett 10:00 a.m. - 12:00 p.m.
Parks & Recreation, Forest Park, Lions Hall.802 E Mukilteo Blvd, Everett – **Register online at dor.wa.gov**

07/15/09 University Place 10:00 a.m. - 12:00 p.m.
Environmental Services Building, 9850 64th St W, University Place – **Register online at dor.wa.gov**

Unclaimed property reporting basics

The workshop will provide a general overview and reporting basics for those new to unclaimed property or staff looking for a refresher. This course provides the basic information holders need to report unclaimed property to the state of Washington.

**07/14/09 Seattle 9:00 a.m. - 12:00 p.m.
1:00 p.m. - 4:00 p.m.**
Department of Revenue, Suite 1400, 2101 4th Ave, Seattle – **Register online at dor.wa.gov**

08/13/09 Tumwater 9:00 a.m. - 12:00 p.m.
Department of Revenue, 1st Floor Large Training Room - 123, 6300 Linderson Way, Tumwater – **Register online at dor.wa.gov**

**09/24/09 Tacoma 9:00 a.m. - 12:00 p.m.
1:00 p.m. - 4:00 p.m.**
Department of Revenue, Suite 210, 3315 S 23rd St, Tacoma – **Register online at dor.wa.gov**

11/10/09 Seattle 9:00 a.m. - 12:00 p.m.
Department of Revenue, Suite 1400, 2101 4th Ave, Seattle – **Register online at dor.wa.gov**

Department of Revenue Taxpayer Assistance

Field Office Locations

1904 Humboldt St Suite A
PO Box 1176
BELLINGHAM 98227-1176
(360) 676-2114

2101 4th Ave Suite 1400
SEATTLE 98121-2300
(206) 956-3000

734 E First St Suite B
PO Box 400
PORT ANGELES 98362-0064
(360) 417-9900

20819 72nd Ave South
Suite 680
KENT 98032-2390
(253) 437-3440

6500 Linderson Way SW
Suite 102
TUMWATER 98501-7478
(360) 705-6676

8008 NE 4th Plain Blvd
Suite 320
PO Box 1648
VANCOUVER 98668-1648
(360) 256-2060

9930 Evergreen Way
Suite Y-150
EVERETT 98204-3893
(425) 356-4800

1330 N. Washington
Suite 5600
SPOKANE 99201-2456
(509) 327-0200

630 N Chelan Ave
Suite B-3
PO Box 220
WENATCHEE 98807-0220
(509) 663-9714

3315 South 23rd St
Suite 300
PO Box 111180
TACOMA 98405-1605
(253) 382-2000

3703 River Rd
Suite 3
YAKIMA 98902-7325
(509) 454-5160

1657 Fowler St
PO Box 140
RICHLAND 99352-4700
(509) 734-7526

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715.

Teletype (TTY) users please call 1-800-451-7985.

