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Public meetings scheduled for destination-based sales tax rules

OLYMPIA, Wash., August 16, 2007 — The Department of Revenue is holding public meetings this month on proposed new rules that will describe the way Washington retailers will calculate local sales taxes when shipping products to customers in Washington.

Under current law, the local sales tax is coded to the jurisdiction from which a product is shipped. Legislation enacted in 2007 will require retailers to begin coding the sales tax to the location where the customer receives the product or service. The change takes effect July 1, 2008.

The switch is being made to allow Washington's participation in a multi-state compact designed to standardize and modernize the sales tax and to assist retailers with multi-state sales to collect for and remit to varied jurisdictions. The passage of Substitute Senate Bill 5089 conformed Washington's tax structure to the national Streamlined Sales and Use Tax Agreement **and** allowed Washington to join 21 other states that are members of the Agreement.

To implement the changes, the Department must amend Washington Administrative Code 458-20-145. The process for changing this rule begins with public meetings that will be followed on later dates by public hearings and then formal rule adoption. The initial public meetings are designed to give retailers the opportunity to preview and comment on the Department's interpretation of the Streamlined Sales Tax legislation before it takes effect. A draft of the rule will be available and will explain how businesses can determine what tax rates to apply. It will contain a series of alternative methods to be used when a retailer doesn't know the ultimate delivery address of the product. The Department's draft rule cannot conflict with the act passed by the Legislature, but it can take business realities into account when interpreting the legislation. This is an opportunity for business owners to tell the Department how the Department's proposed interpretation, as opposed to the act itself, might affect them.

Retailers who want to attend question-and-answer sessions about how the changes will affect their specific businesses, and what tools are potentially available to assist them in changing to destination-based sales tax, are urged to sign up for one of a series of workshops the Department is providing throughout the state. Tools include software programs, maps and an online Tax Rate Lookup Tool. In addition, several companies offer services in applying rates and collecting the tax. For the most up-to-date list of workshops and to sign up, go to the Department's web site, <http://dor.wa.gov>, scroll down to "Quick clicks," click on "Learn more about the change to destination-based sales tax" and scroll down to "Attend a workshop."

The public meetings for commenting on the rules changes are scheduled for the following dates and locations:

Burien 10 a.m. August 21, 2007 Criminal Justice Training Commission 19010 1st Avenue South Room C-151	Olympia 1:30 p.m. August 23, 2007 General Administration Bldg. 210 - 11th Ave. & Columbia St. SW 1st Floor Auditorium
Pasco : 2 p.m. August 27, 2007 Columbia Basin Community College 2600 North 20th Avenue Gjerde Multipurpose Facility	Spokane: 10:30 a.m. August 28, 2007 Spokane Falls Community College 3410 West Fort George Wright Drive Lounge AB

For more information on the meetings, please visit the Department's rulemaking web site at <http://dor.wa.gov/content/FindALawOrRule/RuleMaking/agenda.aspx> and click on rule 458-20-145. More information on the Streamlined Sales and Use Tax Agreement is at <http://dor.wa.gov>.

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