

SPECIAL NOTICE

April 16, 2004

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Computers Used in Printing & Publishing-Sales & Use Tax Exemption

This special notice provides a basic description of new retail sales tax & use tax exemptions for computers used in printing and publishing. This exemption is contained in Chapter 8, Laws of 2004, Substitute House Bill 3158 and becomes effective on June 10, 2004.

Retail Sales and Use Tax Exemption

Persons engaged in the business of printing, and publishing of newspapers, periodicals, or magazines are exempt from the retail sales tax and use tax on computer equipment used primarily in the printing or publishing of the printed material. The exemption includes repair parts and replacement parts for such equipment. The exemption also applies to sales of or charges made for labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the computer equipment.

This exemption applies only to computer equipment not otherwise exempt under the Manufacturing Machinery and Equipment Sales & Use Tax Exemptions (RCW 82.08.0265 & RCW 82.12.0265)

Eligible Computer Equipment

To be eligible, the computer equipment must be used primarily (more than fifty percent of the time) in the printing or publishing of printed materials.

The term "computer" means an electronic device that accepts information in digital or similar form and manipulates it for a result based on a sequence of instructions.

"Computer equipment" means a computer and the associated physical components that constitute a computer system, including monitors, keyboards, printers, modems, scanners, pointing devices, and other computer peripheral equipment, cables, servers, and routers. Computer equipment also includes digital cameras and computer software.

"Computer software" means a set of coded instructions designed to cause a computer or automatic data processing equipment to perform a task.

The exemption does not include computer equipment that is used primarily for administrative purposes, including but not limited to, payroll processing, accounting, customer service, telemarketing, and collection.

If a computer is used simultaneously for administrative and non-administrative purposes, the administrative use shall be disregarded during the period of simultaneous use for purpose of determining whether the computer equipment is used primarily for administrative purposes.

Who qualifies as a printer or publisher?

Persons engaging in business of printing any printed materials, and/or publishing newspapers, periodicals, or magazines qualify for this exemption. Qualifying businesses must report under the printing and publishing B&O tax classification under RCW 82.04.280(1).

Using the Exemption

A person taking the exemption under this section must keep records necessary for the Department to verify eligibility. This exemption is available only when the purchaser provides the seller with the Buyers's Sales Tax Exemption certificate. The seller shall retain a copy of the certificate for five years after its expiration.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 486-2342. Teletype (TTY) users please call 1-800-451-7985.