

# SPECIAL NOTICE

June 6, 2006

For further information contact:  
Telephone Information Center  
1-800-647-7706 or (360) 705-6676

Alternate Formats (360) 705-6715  
Teletype 1-800-451-7985

## State Credit Unions – New Tax Exemption

This special notice explains a new tax exemption for state credit unions and clarifies their excise tax liability.

### New Use Tax Exemption

Assets acquired from federal, foreign, and out-of-state credit unions by state credit unions as a result of a merger or conversion are exempt from use tax effective June 7, 2006. (House Bill 2364, Chapter 11, Laws of 2006)

### Sales Tax or Use Tax Obligation

State credit unions must pay sales tax or use tax (tax on items purchased without payment of sales tax) on purchases of computers, prewritten software, office equipment, furnishings and other tangible personal property used in their business activities. Credit unions that are not otherwise required to have a tax registration, can report use tax on a *Consumer Use Tax Return* available on our web site at <http://dor.wa.gov> or by calling 1-800-647-7706.

### Sales Tax Collection

State credit unions must collect sales tax when making retail sales, such as sales of repossessed vehicles and other tangible personal property. Credit unions must also be registered with the Department of Revenue and file excise tax returns. To register online go to <http://dor.wa.gov/content/doingbusiness/Registering/default.aspx> or call us at 1-800-647-7706 to talk with a Tax Information Specialist.

### B&O Tax Exemption

State credit unions are exempt from business and occupation (B&O) tax in Washington State (RCW 82.04.405).

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.