



Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

JUNE 9, 2008

Advertising Income from Electronic Version of Printed Newspaper Now Taxed under Printing and Publishing Classification

Substitute Senate Bill (SHB) 2585, Chapter 273, Laws of 2008 provides that businesses receiving advertising income from an electronic version of a printed newspaper may report this income under the Printing and Publishing classification of the business and occupation (B&O) tax, instead of the Service and Other Activities classification. This change begins on July 1, 2008 and ends on June 30, 2011.

The electronic version of the newspaper must be clearly identified as a complement to the printed version and it must share the content of the printed version. The electronic version must also prominently identify the name of the printed newspaper.

This bill also:

- Amends the definition of "newspaper," for tax purposes, to include:
 - o any supplement of a printed newspaper
 - o an electronic version of a printed newspaper that shares content with the printed version (if it is prominently identified by the same name as the printed newspaper or otherwise conspicuously indicates that it is a complement to the printed newspaper)
- Clarifies that advertising income, from printed inserts or attachments to printed newspapers, is taxed under the Printing and Publishing classification. To receive the same tax treatment, the insert or attachment must be labeled and identified as part of the printed newspaper, and if separate from the newspaper, must be distributed within the general circulation area of the newspaper.

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