



Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

DECEMBER 2, 2009

Sourcing Prepaid Wireless Calling Services

This Special Notice clarifies the sourcing of “prepaid wireless calling services” for retail sales tax purposes. “Prepaid wireless calling services” are sourced according to the requirements of RCW 82.32.520(3)(c). The remainder of this Notice addresses how the sourcing requirements of RCW 82.32.520(3)(c) apply to “prepaid wireless calling services.”

Q. How do sellers source “prepaid wireless calling service” in Washington when:

- The “prepaid wireless calling service” is received at the seller’s place of business?
- The “prepaid wireless calling service” is received at a known location other than the seller’s place of business?

A. Consistent with RCW 82.32.520 (3)(c) the “prepaid wireless calling service” is sourced as follows:

- (i) When the service is received by the purchaser at a business location of the seller, the sale is sourced to that business location.
- (ii) When the service is not received by the purchaser at a business location of the seller, the sale is sourced to the location where receipt by the purchaser or the purchaser’s donee, designated as such by the purchaser, occurs, including the location indicated by instructions for delivery to the purchaser or donee, known to the seller.

If the two items above do not apply, you must source the sale under RCW 82.32.520(3)(c)(iii), (iv), (v), and (vi) as follows:

- (iii) When (i) and (ii) above do not apply, the sale is sourced to the location indicated by an address for the purchaser that is available from the business records of the seller that are maintained in the ordinary course of the seller’s business when use of this address does not constitute bad faith.
- (iv) When (i), (ii), and (iii) above do not apply, the sale is sourced to the location indicated by an address for the purchaser obtained during the consummation of the sale, including the address of a purchaser’s payment instrument, if no other address is available, when use of this address does not constitute bad faith.
- (v) When (i), (ii), (iii), and (iv) above do not apply, including the circumstance where the seller is without sufficient information to apply those provisions, then the location shall be determined by the address from which tangible personal property was shipped, from which the digital good or the computer software delivered electronically was first available for transmission by the seller, or from which the

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service defined as a retail sale under RCW 82.04.050 was provided, disregarding for these purposes any location that merely provided the digital transfer of the product sold.

- (vi) In the case of a sale of prepaid wireless calling service, (v) above shall include as an option the location associated with the mobile telephone number.

Note:

- “Prepaid wireless calling service” means a telecommunications service that provides the right to use mobile wireless service as well as other non-telecommunications services including the download of digital products delivered electronically, content, and ancillary services, which must be paid for in advance and that is sold in predetermined units or dollars of which the number declines with use in a known amount. See RCW 82.04.065.
- “Sourced” as used here means the location in which the sale of a service subject to retail sales or use tax is deemed to occur.