Sales Tax Exemptions for the Investment Casting Process

Background
Substitute Senate Bill (SSB) 6339 provides a sales and use tax exemption for certain materials and services unique to the investment casting industry. The exemption takes effect July 1, 2010, and expires June 30, 2015.

Exemptions
1. **Wax and ceramic materials used in investment casting**: Sales tax does not apply to sales of wax and ceramic materials used to create molds consumed during the process of creating ferrous and nonferrous investment castings which are used in industrial applications.

2. **Labor or services used to create molds from these materials**: Sales tax also does not apply to labor or services used to create wax patterns and ceramic shells used as molds and consumed during the process of creating ferrous and nonferrous investment castings that are used in industrial applications.

Claiming the exemptions
The buyer must provide a completed *Buyer’s Retail Sales Tax Exemption Certificate* to the seller to document the exempt nature of the purchase. The buyer should indicate the nature of the exemption by selecting the line reserved for “Investment casting materials.”

Reporting instructions for sellers
The seller must document these sales as a deduction under code 99, or “Other.” In the space provided for explanation, enter “Investment casting materials.”

Definitions
Investment casting is a foundry production technique. A mold (or investment) is created through the application of several layers of ceramic material to a wax shell. The ceramic materials are then allowed to dry. The mold is heated through and the wax allowed to drain, leaving a ceramic shell.

For more information
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