Sales Tax Repealed on Bottled Water, Candy and Gum
as of December 2, 2010

Background
Recent legislation imposed sales tax on sales of bottled water, candy and gum. These products became subject to sales tax on June 1, 2010. (2ESSB 6143)

Beginning December 2, 2010, sales tax no longer applies to sales of bottled water, candy and gum. This is because Initiative 1107 (I-1107), approved by voters on November 2, 2010, repealed the sales tax on these goods.

Collecting the tax
Retailers selling bottled water, candy and gum must continue to collect sales tax on these products through December 1, 2010.

Tax refunds for exempt bottled water purchases
A person who purchased bottled water before December 2 and qualified for one of the two bottled water sales tax exemptions may request a refund if the cumulative amount of tax paid before December 2 was $25 or more. Refund requests will continue to be accepted after December 2. For information about the bottled water sales tax exemptions and refund requirements, please visit our website at dor.wa.gov.

Vending machine operators and sellers of prepared food
Retail sales of bottled water, candy and gum remain subject to sales tax when sold:
• By a business whose prepared food sales exceed 75 percent of their total food sales (WAC 458-20-244(4)(c)(iii)).
• Through a vending machine. (RCW 82.08.0293(4); WAC 458-20-244(9)).

I-1107 does not affect the sales tax under these circumstances.

For more information
Visit our website at dor.wa.gov, or contact our Telephone Information Center at 1-800-647-7706.