



# Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

AUGUST 18, 2011

## Taxability Information for Providing Landscape Maintenance, Ecological Restoration, and Wetland Banking Activities

### Background

In 1993 landscape activities became subject to retail sales tax unless a specific exemption applied. Prior to 1993 such services were not subject to sales tax and confusion still exists among landscape maintenance providers and customers regarding how such services are taxed.

### Retailing activities

Many services performed by landscape maintenance providers, including ecological restoration, wetland banking, etc. are considered to be retail services and are subject to retail sales tax and retailing business and occupation (B&O) tax. Examples include planting, seeding, removing, trimming, pruning, applying chemicals, etc. It also includes activities such as installing sprinkler systems, walks, fences, etc.

Sales tax is collected on the total contract price including labor and supplies. The sales tax rate for performing retail landscape activities is determined by the place where the activity occurs.

### Non-retailing activities

Activities not considered to be retail services subject to sales tax include:

- Landscape design services (contract must be separate from a landscape maintenance contract).
- Planting trees and horticultural services performed for farmers for agricultural purposes.
- Thinning or planting trees for commercial production of timber.
- Qualified landscaping services performed within public road right of way.
- Pruning, trimming, repairing, removing and clearing of trees and brush near electric transmission, distribution lines or equipment, when performed by or at the direction of an electric utility.

### For more information

Visit our website at [dor.wa.gov](http://dor.wa.gov) or call the Department's Telephone Information Center at 1-800-647-7706.