Brokered Sales of Vessels – Determining the Place of Sale

The “place of sale” on brokered vessel sales determines the sales tax rate that applies and which local jurisdiction gets the local sales tax. Vessel brokers are deemed to be the seller under RCW 82.08.010(2)(a). The place of sale on a brokered vessel transaction is the broker’s in-state office location. This is the Department’s long standing position and is consistent with the language of RCW 82.32.730(7) which requires vessel sales to be sourced to the location “at or from which delivery is made to the consumer.”

Exceptions to the Sales Tax Collection Obligation – 10-Day Report

Brokers do not have to collect sales tax from buyers when:

- the broker receives a commission on the sale, and
- the entire transaction is closed directly between the owner and the buyer, and
- the sale is reported to the Department on the broker’s Transaction Report.

Brokers have 10 days after the sale closes to file the Broker’s Transaction Report with the Department. This provision applies to both listing brokers and selling brokers.

Record keeping requirements for brokers

To be relieved of the sales tax collection obligation, brokers must keep all of the following documents in their records:

- Copy of the Report of Sale
- Listing agreement
- Department of Licensing records of purchase (per RCW 88.02.210 and 220)
- Title or other such documents

More information is available

If you have questions, contact any Dept. of Revenue office or call our Telephone Information Center at 1-800-647-7706.