



Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

JUNE 28, 2015

Restaurants Providing Complimentary Meals to Employees

Introduction

Substitute Senate Bill (SSB) 5275; Chapter 86, Laws of 2015, clarifies that the exemptions from sales tax, use tax and business and occupation tax is only for meals provided without a specific charge to restaurant employees and that the exemption does not apply on meals provided to other employees that work outside the restaurant.

Restaurant operators that charge employees for meals continue to be taxed on such charges.

Effective date

The original exemption was effective July 1, 2011. The clarification provided in SSB 5275 is effective July 24, 2015.

Who may claim the exemption?

This exemption only applies to meals provided to “employees of restaurants.” A “restaurant” is any establishment having special space and accommodation where food and beverages are regularly sold to the public for immediate, but not necessarily on-site, consumption. In those businesses that have other employees that work outside the restaurant, the exemption does not extend to meals provided to such employees.

Who is not eligible?

The exemption does not extend to grocery stores, mini-markets, convenience stores or businesses making sales through vending machines or through mobile sales units such as catering trucks or sidewalk vendors of food or beverage items.

For more information

Visit our website at dor.wa.gov, send an email to dorcommunications@dor.wa.gov, or call the Department’s Telephone Information Center at 1-800-647-7706.

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