



# PREPROPOSAL STATEMENT OF INQUIRY

**CR-101 (June 2004)**  
(Implements RCW 34.05.310)  
Do NOT use for expedited rule making

**Agency:** Department of Revenue

**Subject of possible rule making:** A possible amendment to existing WAC 458-20-145 (Local sales and use tax), explaining local sales and use tax sourcing rules for retail sales in Washington. This potential amended rule would describe Washington's new destination based sourcing rules enacted in section 501 of chapter 6, Laws of 2007 (SSB 5089). The Department is also considering addressing certain tax credits available to eligible taxpayers and interest and penalty abatement provisions related to changes from existing sourcing rules to destination based sourcing as described in SSB 5089, sections 1601 and 1602.

**Statutes authorizing the agency to adopt rules on this subject:** RCW 82.32.300 and 82.01.060.

**Reasons why rules on this subject may be needed and what they might accomplish:** The Department believes a rule amendment is needed to explain destination based sourcing principles to taxpayers and related exceptions under SSB 5089. Destination based sourcing under SSB 5089 becomes effective July 1, 2008. The revised rule will help taxpayers determine where to source retail sales so that the appropriate local sales or use tax can be collected and remitted.

**Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:** n/a

**Process for developing new rule (check all that apply):**

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe) Parties interested in this rule making may contact the individual listed

below. The public may also participate by providing written comments throughout this rule making or giving oral testimony at the public meeting or public hearing.

**How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:**

Written comments may be submitted by mail, fax, or at the public meeting. Oral comments will be accepted at the public meeting. A preliminary draft of possible rule changes is available for viewing and printing on our website at: <http://dor.wa.gov/content/FindALawOrRule/RuleMaking/default.aspx>. Written comments on and/or requests for copies of the rule may be directed to: Tim Jennrich, Interpretations and Technical Advice Division, P. O. Box 47453, Olympia, WA 98504-7453; e-mail: [TimJe@dor.wa.gov](mailto:TimJe@dor.wa.gov); phone: (360) 570-6136; FAX (360) 586-5543.

**Assistance for persons with disabilities:**

Contact Sandy Davis no later than 10 days before the meeting date. TTY 1-800-451-7985 or (360) 725-7499.

**Public meeting locations:** (See attachment)

**Date**

**Name (type or print)**  
Alan R. Lynn

**Signature**

**Title**  
Rules Coordinator

**Filed: July 18, 2007**

**Time: 10:45 a.m.**

**WSR: 07-15-095**

**The above information was input by DOR**



STATE OF WASHINGTON

**DEPARTMENT OF REVENUE**

**Attachment for CR-101 form  
WAC 458-20-145 Local Sales and Use Tax (Sourcing)**

**Public Meeting Locations, Dates, and Times**

Locations

Dates

Times

Burien (Seattle area) ---- August 21, 2007 (Tuesday) ---- 10:00 A.M.

Criminal Justice Training Commission  
19010 1st Avenue South  
Room C-151  
Phone: 206/835-7300

Olympia ---- August 23, 2007 (Thursday) ---- 1:30 P.M.

General Administration Bldg.  
210 - 11th Ave. & Columbia St. SW  
1<sup>st</sup> Floor Auditorium  
Phone: 360/902-0990

Pasco ---- August 27, 2007 (Monday) ---- 2:00 P.M.

Columbia Basin Community College  
2600 North 20<sup>th</sup> Avenue  
Gjerde Multipurpose Facility  
Phone: 509/547-0511

Spokane ---- August 28, 2007 (Tuesday) ---- 10:30 A.M.

Spokane Falls Community College  
3410 West Fort George Wright Drive  
Lounge AB  
Phone: 509/434-5162

Interpretations and Technical Advice Division

P O Box 47453 ♦ Olympia, Washington 98504-7453 ♦ Phone (360) 570-6124 ♦ Fax (360) 586-5543