



# 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:** Computer hardware, computer software, information service, and computer services

**Statutes authorizing the agency to adopt rules on this subject:** RCW 82.32.300 and 82.01.060(2)

**Reasons why rules on this subject may be needed and what they might accomplish:** The Department is considering a new rule to update and further explain beyond WAC 458-20-155 the application of the business and occupation (B&O), retail sales, and use taxes as they apply to persons providing information or computer services, and persons who manufacture, develop, process, or sell information, software, or computer programs. This rule will also recognize that RCW 82.12.020(1)(b) now excludes software provided free of charge from the use tax.

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

**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 will be available by April 18, 2008 for viewing and printing on our website at: <http://dor.wa.gov/content/FindALawOrRule/RuleMaking/agenda.aspx>. Written comments on and/or requests for copies of the rule may be directed to: Dylan Waits, Interpretations and Technical Advice Division, P. O. Box 47453, Olympia, WA 98504-7453; e-mail: [dylanw@dor.wa.gov](mailto:dylanw@dor.wa.gov); phone: (360)570-6134; FAX (360)586-0127.

**Public meeting location:**

Cascade Bldg/Auditorium  
Criminal Justice Training Commission  
19010 1<sup>st</sup> Ave S  
Burien, Washington

**Assistance for persons with disabilities:**

Contact Martha Thomas no later than 10 days before the meeting date. TTY 1-800-451-7985 or (360) 725-7497.

**Date:** 4/29/2008      **Time:** 10:00 a.m.

**Date**  
March 19, 2008

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

**Signature**

**Title**  
Rules Coordinator

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STATE OF WASHINGTON  
FILED

**DATE:** March 19, 2008  
**TIME:** 11:21 AM

**WSR 08-07-105**