



# PROPOSED RULE MAKING

## CR-102 (June 2004)

(Implements RCW 34.05.320)

Do NOT use for expedited rule making

**Agency:**

- Preproposal Statement of Inquiry was filed as WSR 08-07-105; or
- Expedited Rule Making--Proposed notice was filed as WSR ; or
- Proposal is exempt under RCW 34.05.310(4).

- Original Notice
- Supplemental Notice to WSR
- Continuance of WSR

**Title of rule and other identifying information:** WAC 458-20-15501 Computer hardware, computer software, information service, and computer services

**Hearing location(s):**

Cascade Bldg./Room C-151  
Criminal Justice Training Commission  
19010 1<sup>st</sup> Avenue S  
Burien, Washington

Copies of draft rules are available for viewing and printing on our website at:  
<http://dor.wa.gov/content/FindALawOrRule/RuleMaking/>

Date: August 27, 2008 Time: 10:00 A.M.

**Date of intended adoption:** September 8, 2008  
(Note: This is NOT the effective date)

**Submit written comments to:**

Name: Dylan Waits  
Address: Post Office Box 47453  
Olympia, Washington 98504-7453  
E-mail: Dylan@dor.wa.gov  
Fax: (360) 586-0127  
By: August 27, 2008

**Assistance for persons with disabilities:** Contact Martha Thomas at (360) 725-7497 no later than 10 days before the hearing date. Deaf and hard of hearing individuals may call 1-800-451-7985 (TTY users).

**Purpose of the proposal and its anticipated effects, including any changes in existing rules:** 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.

**Reasons supporting proposal:** To provide needed guidance regarding the tax reporting responsibilities of persons providing information or computer services, and persons who manufacture, develop, process, or sell information, software, or computer programs.

**Statutory authority for adoption:** RCW 82.32.300 and 82.01.060(2)

**Statute being implemented:** RCW 82.04.215, 82.04.29001, 82.04.120, 82.04.2907, 82.08.705, 82.12.705, 82.32.730, and other statutes in chapters 82.04, 82.08, and 82.12 RCW that apply to the activities addressed in this rule.

**Is rule necessary because of a:**

- Federal Law?  Yes  No
  - Federal Court Decision?  Yes  No
  - State Court Decision?  Yes  No
- If yes, CITATION:

**Date** July 23, 2008

**Name** Alan R. Lynn

**Signature**

**Title**  
Rules Coordinator

**CODE REVISER USE ONLY**

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

**DATE:** July 23, 2008

**TIME:** 10:34 AM

**WSR 08-15-173**

**Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:**

**Name of proponent:** Department of Revenue

- Private  
 Public  
 Governmental

**Name of agency personnel responsible for:**

Name	Office Location	Phone
Drafting..... Dylan Waits	1025 Union Ave. SE. Ste #544, Olympia ,Wa	(360) 570-6134
Implementation.... Alan R. Lynn	1025 Union Ave. SE. Ste #544, Olympia ,Wa	(360) 570-6125
Enforcement..... Janis P. Bianchi	1025 Union Ave. SE. Ste #544, Olympia ,Wa	(360) 570-6147

**Has a small business economic impact statement been prepared under chapter 19.85 RCW?**

Yes. Attach copy of small business economic impact statement.

A copy of the statement may be obtained by contacting:

Name:

Address:

Phone:

Fax:

E-mai:

No. Explain why no statement was prepared.

**The proposed rule does not impose new performance requirements or administrative burdens on any small business not required by statute.**

**Is a cost-benefit analysis required under RCW 34.05.328?**

Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

No: Please explain: **The proposed rule does not constitute a significant legislative rule.**