



# 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:** WAC 458-20-166 Hotels, motels, boarding houses, rooming houses, resorts, summer camps, trailer camps, etc. This rule discusses the business and occupation (B&O) retail sales, and use tax reporting responsibilities of persons providing lodging and related services to transients for a charge. In addition, this rule explains the application of the special hotel/motel tax and the convention and trade center tax to charges for transient lodging.

**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:** See attachment.

**Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:** none.

**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:**

Please see attachment soliciting comments and explaining need for rulemaking. Written comments may be submitted by mail, fax, or at the public meeting. Oral comments will be accepted at the public meeting. Written comments may be directed to: Kate Adams, Interpretations and Technical Advice Division, P. O. Box 47453, Olympia, WA 98504-7453; e-mail: katea@dor.wa.gov; phone: (360) 570-6115; FAX (360)586-5543.

**Public meeting location:**

Capitol Plaza Building  
4th Floor L&P Large Conference Room  
1025 Union Avenue SE  
Olympia, Washington

**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.

**Date:** 11/8/06    **Time:** 9:30 a.m.

**Date**

**Name (type or print)**

Alan R. Lynn

**Signature**

**Title**

Rules Coordinator

**Filed: September 29, 2006**

**Time: 12:59 p.m.**

**WSR: 06-20-067**

**The above information was input by DOR**



STATE OF WASHINGTON

**DEPARTMENT OF REVENUE**

**Reasons why rules on this subject may be needed and what they might accomplish:**

The Department is considering an amendment to WAC 458-20-166 (Rule 166). An amended rule would recognize legislation (chapter 514, Laws of 2005) that changed the way income from coin-operated and self service laundry facilities is taxed. This income is now subject to the service and other activities B&O tax classification, instead of as a retail sale. The explanation of when charges for lodging constitute a nontaxable rental of real estate or a taxable sale of transient lodging would also be updated.

Additionally, the Department is requesting comments from interested parties on the following issues:

1. The federal government's program with respect to the issuance of contracted credit cards for the purchase of lodging and other services frequently changes. The Department is for that reason considering an elimination of such information from the rule. Current information on this subject is available on the Department's web site.
2. Under what circumstances, if any, is a travel agent, tour operator, or internet business that arranges hotel accommodations for guests in the business of furnishing lodging and obligated to collect sales and hotel-motel taxes?
3. What other issues should be addressed if the Department proposes an amendment to Rule 166?

Interpretations and Technical Advice Division

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