



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 458-20-183 (Rule 183) *Amusement, recreation, and physical fitness services.*
Rule 183 provides tax reporting information for persons that provide amusement, recreation, and physical fitness 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 an amendment to WAC 458-20-183 to clarify the tax-reporting responsibilities of persons providing amusement and recreations services. In particular, the Department is considering additional guidance on the following:

- (1) When charges for sport activities and sporting events are and are not subject to retail sales tax;
- (2) How tax applies to charges for the use of facilities and fields;
- (3) The conditions under which a charge is considered a nontaxable charge (for sales tax purposes) for “lessons” between nontaxable lessons and taxable amusement and recreation services; and
- 4) When an event put on by a nonprofit entity is considered a nontaxable fundraising activity.

The Department is at this time asking for written comments and suggestions for these issues and other issues stakeholders believe should be addressed in an updated Rule 183.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: No other federal or state agencies regulate the Department of Revenue’s internal procedures.

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 to the following. Please provide comments by October 21, 2011:

Bridget McBryde
Interpretations and Technical Advice Division
P. O. Box 47453, Olympia, WA 98504-7453

e-mail: BridgetM@dor.wa.gov.

Date
September 15, 2011

Name
Alan R. Lynn

Signature

Title
Rules Coordinator

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