



PROPOSED RULE MAKING

CR-102 (June 2004)

(Implements RCW 34.05.320)

Do **NOT** use for expedited rule making

Agency: Department of Revenue

- Preproposal Statement of Inquiry was filed as WSR 06-17-185; 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 458-20-244 - Food and food ingredients.

This rule provides guidelines for determining if food or food ingredients qualify for the retail sales tax and use tax exemptions provided in RCW 82.08.0293 and 82.12.0293.

Hearing location(s):

Capitol Plaza Building
4th Floor—Large L&P conference Room
1025 Union Avenue SE
Olympia, Washington 98504

Submit written comments to:

Kate M. Adams, Interpretations and Technical Advice,
P. O. Box 47453, Olympia, WA 98504-7453
e-mail: katea@dor.wa.gov
phone: (360) 570-6115
facsimile (360)586-5543
By: December 13, 2006

Date: December 13, 2006 **Time:** 9:30 A.M.

Assistance for persons with disabilities: Contact Sandy Davis at (360) 725-7499 no later than 10 days before the hearing date. Deaf and hard of hearing individuals may call 1-800-451-7985 (TTY users).

Date of intended adoption: December 20, 2006

(Note: This is **NOT** the **effective** date)

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

The proposed rule amendment incorporates changes to the definitions of food and food ingredients, and in particular, the defined term “prepared foods” promulgated by Chapter 153, Laws of 2004. The rule includes the methodology for determining whether a seller of prepared foods must collect and remit sales tax on all sales of food and food ingredients, or only items qualifying as prepared foods under particular definitions.

Reasons supporting proposal:

RCW 82.08.0293 and 82.12.0293 provide, respectively, a retail sales tax and use tax exemption for food and food ingredients. In 2003 and 2004, the legislature amended these statutes to alter the definitions used to determine whether a particular food or food ingredient qualifies for the exemptions. The amendments were made in compliance with the national Streamlined Sales and Use Tax Agreement (SSUTA). Amendments to Rule 244 incorporate these statutory changes, as well as the final interpretations adopted by the SSUTA advisory council.

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

Statute being implemented: RCW 82.08.0293 and 82.12.0293

Is rule necessary because of a:

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

Filed: November 1, 2006

Date

Time: 9:30 a.m.

Name

Janis P. Bianchi

WSR: 06-22-092

Signature

The above information was input by DOR

Title

Assistant Director
Interpretations and Technical Advice Division

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters: None.

Name of proponent: Department of Revenue

Private
 Public
 Governmental

Name of agency personnel responsible for:

Name	Office Location	Phone
Drafting..... Kate M. Adams	1025 Union Ave. SE. Ste #544, Olympia ,WA	(360) 570-6115
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-mail

No. Explain why no statement was prepared. A small business economic impact statement is not required because the rule and the amendments do not impose new performance requirements or administrative burdens on any small business not required by statute as interpreted under the SSUTA.

Is a cost-benefit analysis required under RCW 34.05.328?

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

Name:
Address:

phone
fax
e-mail

No: Please explain: The proposed rule is not a significant legislative rule as defined by RCW 34.05.328.