



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 458-20-258 (Travel Agents and Tour Operators).

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

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

Please 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: Nathan Schreiner, Interpretations and Technical Advice Division, P.O. Box 47453, Olympia, WA 98504-7453; e-mail: NathanS@dor.wa.gov; phone: (360) 570-6136; FAX (360)586-5543.

Public meeting location:

Capitol Plaza Building
4th Floor—Exec 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: October 10, 2006 **Time:** 10:00 a.m.

Date

Name

Alan R. Lynn

Signature

Title

Rules Coordinator

Filed: September 5, 2006

Time: 3:56 p.m.

WSR: 06-18-090

The above information was input by DOR

WAC 458-20-258 Travel agents and tour operators
Attachment to CR 101 -

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

WAC 458-20-258 ("Rule 258") does not reflect current law, under which travel agents and tour operators now pay the same business and occupation tax rate. See RCW 82.04.260(5) and Chapter 148, Laws of 1996. For this reason, an amendment to Rule 258 may be necessary. Additionally, the Department is requesting comments from interested parties on the following issues:

1. Under what circumstances, if any, is a travel agent or tour operator that arranges hotel accommodations for guests in the business of furnishing lodging and obligated to collect sales and hotel-motel taxes?
2. Must the State of Washington allow apportionment of gross income for travel agents and tour operators? If apportionment is required, what method(s) should be allowed?
3. What standard must be applied to determine when "gross commissions" by travel agents are reported instead of gross income?
4. What characteristics qualify an entity as a travel agent or tour operator?
5. What other issues should be addressed if the Department proposes an amendment to Rule 258?