



# PROPOSED RULE MAKING

## CR-102 (June 2004)

(Implements RCW 34.05.320)

Do **NOT** use for expedited rule making

**Agency:** Washington State Department of Revenue

- Preproposal Statement of Inquiry was filed as WSR 06-18-090; 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 458-20-258 Travel Agents and Tour Operators

This rule provides information on the tax obligations of persons engaging in business as a travel agent or tour operator.

**Hearing location(s):**

Capitol Plaza Building  
1025 Union Avenue SE  
Olympia, Washington 98504  
4<sup>th</sup> Floor Conference Room

**Submit written comments to:**

Mark Bohe, Interpretations and Technical Advice,  
P. O. Box 47453, Olympia, WA 98504-7453  
e-mail: markbohe@dor.wa.gov  
phone: (360) 570-6133  
facsimile (360)586-0127

**Date** March 12, 2008    **Time:** 10:00 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:** March 19, 2008  
(Note: This is **NOT** the **effective** date)

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

The proposed rule will clarify the rate applicable to tour operators based on 1996 legislation; permit both travel agent and tour operator income to be apportioned in the same manner as under WAC 458-20-194; provide additional information and examples on pass-through; and clarify the application of lodging taxes in the travel industry.

**Reasons supporting proposal:**

The revisions are necessary to provide current and accurate tax-reporting guidance, particularly with respect to income apportionment, pass-through treatment, and the application of lodging taxes in the travel industry.

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

**Statute being implemented:** RCW 82.04.260(5) and other tax statutes relative to the travel industry

**Is rule necessary because of a:**

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

**Filed: January 31, 2008**

**Time: 3:18 p.m.**

**Date**

**WSR: 08-04-052**

**Name**

Alan R. Lynn

**Signature**

**The above information was input by DOR**

**Title**

Rules Coordinator

**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..... Mark E. Bohe	1025 Union Ave. SE. Ste #544, Olympia ,WA	(360) 570-6133
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.

The revised rule, as proposed, does not impose new performance requirements or administrative burdens on any small business not required by statute or the state and/or federal constitution.

**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.