



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 06-21-058 ; 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 458-20-274 - Staffing Services - This rule explains the application of business and occupation (B&O) tax, public utility tax (PUT); and the retail sales tax collection responsibilities of staffing businesses providing staffing services.

Hearing location(s):

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

Date: March 14, 2007 Time: 9:30 AM

Date of intended adoption: March 26, 2007
(Note: This is **NOT** the **effective** date)

Submit written comments to:

Name: Stephen P. Zagelow

Address: Post Office Box 47453
Olympia, Washington
98504-7453

e-mail StephenZ@dor.wa.gov
fax (360) 586-5543
by March 14, 2007

Assistance for persons with disabilities: Contact Sandy Davis no later than 10 days before the hearing date.
TTY 1-800-451-7985 or (360) 725-7499

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

The Department of Revenue proposes a new rule to explain the tax-reporting requirements of businesses providing staffing services. This rule recognizes the Washington Supreme Court's decision in *City of Tacoma v. William Rogers Company, Inc.*, 148 Wash.2d 169, 60 P.3d 79 (2002) and explains the application of business and occupation (B&O) tax, public utility tax (PUT); and the retail sales tax collection responsibilities of staffing businesses providing staffing services. This rule provides information consistent with the more exhaustive detailed "*Staffing Industry Tax Guide*," which is available via the Department's internet web site at <http://dor.wa.gov/content/taxes/Industry/Staffing/default.aspx>.

Reasons supporting proposal: The proposed rule provides important information to taxpayers and Department of Revenue staff about the reporting of taxes by explaining the application of business and occupation (B&O) tax, public utility tax (PUT); and the retail sales tax collection responsibilities of staffing businesses providing staffing services.

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

Statute being implemented: Title 82 RCW, to the extent it applies to staffing companies

Is rule necessary because of a:

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

Filed: February 7, 2007

Time: 11:33 a.m.

Date

WSR: 07-04-118

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: (person or organization)
Department of Revenue

Private
 Public
 Governmental

Name of agency personnel responsible for:

Name	Office Location	Phone
Drafting..... Stephen P. Zagelow	1025 Union Ave. SE. Ste #544, Olympia ,Wa	(360) 570-6117
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 this rule does not impose any requirements or burdens upon small business that are not already required by the statutes of Title 82 RCW.

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.