

Excise Tax Advisories are interpretive statements authorized by RCW 34.05.230.

NUMBER: 9001.2011

ISSUE DATE: March 31, 2011

Digital Products – General Implementation

2009 and 2010 legislation

In 2009, the Legislature adopted Chapter 535, Laws of 2009 (ESHB 2075) effective July 26, 2009. This was Washington’s first comprehensive legislation addressing the retail sales and use taxation and business and occupation (B&O) taxation of digital products. In 2010, the Legislature adopted Chapter 111, Laws of 2010 (SHB 2620), which clarifies ambiguities and corrects unintended consequences related to the passage of ESHB 2075. SHB 2620 took effect July 1, 2010, and applies prospectively for all sections and retrospectively to July 26, 2009, for most sections.

Phased implementation process ends June 30, 2011

The Department of Revenue (Department) implemented ESHB 2075 in a phased process. During the initial phase, taxpayers were expected to make a good faith effort to comply with guidance issued by the Department. Taxpayers were also given an opportunity to request a letter ruling on their specific facts. During that time, if the taxpayer made a good faith effort to comply, there were no adverse consequences stemming from a lack of compliance. However, with the passage of clarifying legislation, publication of additional information and responses to letter ruling requests over the past year, the Department is moving to a process of normal enforcement in order to fully implement ESHB 2075 and SHB 2620. Therefore, the initial phase of implementation will end June 30, 2011 and normal enforcement practices will begin after that date.

Ruling requests

How to request a ruling

Rulings may be requested through the Department’s web page at:
<http://dor.wa.gov/digitalproducts> (“Send us a question”).

Continued on next page

All ETAs were cancelled on February 2, 2009 and those which had a continued use were rewritten and reissued using a new numbering system. The new ETAs are numbered using the following format 3nnn.yyyy. The Department of Revenue issued ETA 3001.2009 which includes a cross reference table showing the old and new ETA numbers for those ETAs that were rewritten.

Please direct comments to:
Department of Revenue
Interpretation and Technical Advice
Division
P O Box 47453
Olympia, Washington 98504-7453
(360) 570.6124 eta@DOR.wa.gov

To inquire about the availability of receiving this document in an alternate format for the visually impaired or language other than English, please call (360)705-6715. Teletype (TTY) users please call 1-800-451-7985.

Digital Products – General Implementation, Continued

Ruling requests
(continued)

Rulings are binding

The taxpayer is responsible for following these rulings unless or until contrary instructions are provided through a subsequent written ruling, the issuance of additional excise tax advisories, amendment/supplement to an excise tax advisory, or adoption of a rule with different provisions.

**Taxpayer
responsibility**

Taxpayers are expected to monitor guidance provided that may impact them by:

- Visiting the Department’s Digital Products web page (<http://dor.wa.gov/digitalproducts>); and
- Signing up for the digital products listserv through a link on the web page to receive updates by e-mail.

Note: All taxpayers, including those that have obtained prior written rulings, are responsible for following updated guidance as it is provided.
