



State of Washington
Department of Revenue

Excise Tax Advisory

Excise Tax Advisories (ETA) are interpretive statements issued by the Department of Revenue under authority of RCW 34.05.230. ETAs explain the Department's policy regarding how tax law applies to a specific issue or specific set of facts. They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

NUMBER: 259.12.171

CONVERSION DATE: July 1, 1998

This ETA is cancelled effective March 28, 2008.

SALES TO PUBLIC ROADS CONTRACTOR FOR USE OUTSIDE THE STATE

Issued September 23, 1966

Is a public road contractor taxable on purchases of material within the state for use in construction of publicly owned roads located outside the state?

Taxpayer, a road contractor, contracted to construct a publicly owned road in Oregon. All supplies and materials used in the project were purchased in Washington.

Although the law defines public road construction contractors as consumers of all materials and supplies used in the performance of the work, this classification is limited to ". . . every person engaging within this state in the business of . . . building, repairing or improving any publicly owned street, place, road, highway, bridge or trestle. . . ." RCW 82.04.280(2).

The Commission held that persons performing public road construction contracts outside the state are not to be classified as "consumers," this classification being specifically limited to public road construction "within this state." Thus, the purchase of materials which become a component part of the project are deemed purchases for resale and the buyer will be exempt from Sales Tax by giving the supplier a resale certificate in the usual form. (Letter.)

ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.

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