



STATE OF WASHINGTON  
DEPARTMENT OF REVENUE

**Amendment of Interpretive Statements**

ETA 2012 and its supplements provide guidance regarding the retail sales and use tax exemption in RCW 82.08.02565 and 82.12.02565, commonly referred to as the manufacturers' machinery and equipment exemption (M&E exemption). The Department has amended the ETA 2012 series to add the following language explaining that even if equipment is eligible for exemption under the guidelines of the particular document, all requirements for exemption must be satisfied. There is no change to the subject matter of these documents.

In addition to the issues discussed in this ETA, machinery and equipment must also meet the other requirements of the statutes to be eligible for the exemption. For example, some of the requirements include:

- Purchaser/User must be a manufacturer, processor for hire, or a tester for a manufacturer or processor for hire,
- Must purchase machinery or equipment (devices, industrial fixtures, support facilities, pollution control equipment),
- The machinery or equipment must be used directly in a manufacturing, research and development, or testing operation,
- The machinery or equipment must have a useful life of one year or more, and
- The machinery or equipment must be used more than 50% of the time on an eligible activity.

Therefore, readers are advised that RCW 82.08.02565, RCW 82.12.02565, and WAC 458-20-13601 should also be referenced when making determinations about taxability.

The ETA series contains the following documents:

<b>ETA 2012</b>	<b>Manufacturers' Machinery and Equipment Exemption</b>
<b>ETA 2012-1S</b>	<b>Rental of Tangible Personal Property and Providing Tangible Personal Property Along With an Operator</b>
<b>ETA 2012-2S</b>	<b>Pollution control equipment</b>
<b>ETA 2012-3S</b>	<b>Electrical apparatus and utility systems</b>
<b>ETA 2012-4S</b>	<b>Devices</b>
<b>ETA 2012-5S</b>	<b>Design and Product Development</b>
<b>ETA 2012-6S</b>	<b>Manufacturing site</b>
<b>ETA 2012-7S</b>	<b>Buildings, fixtures, and support facilities</b>
<b>ETA 2012-8S</b>	<b>Computers</b>
<b>ETA 2012-9S</b>	<b>Prototypes</b>
<b>ETA 2012-10S</b>	<b>Research and Development</b>

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Copies of these documents are available via the Internet at <http://dor.wa.gov/content/FindALawOrRule/>, or a request for copies may be directed to:

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A handwritten signature in black ink, appearing to read "Alan R. Lynn". The signature is written in a cursive style with a horizontal line underneath the name.

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Alan R. Lynn, Rules Coordinator