



STATE OF WASHINGTON  
DEPARTMENT OF REVENUE

**INTERPRETIVE STATEMENT ISSUED**

The Department of Revenue has issued the following Excise Tax Advisory (ETA):

***ETA 3173 Distributor Discounts/Allowances to Grocery Stores***

WAC 458-20-108 explains that a bona fide discount may be deducted from gross proceeds of sales for determining tax liability. The Department has issued ETA 3173 to clarify for taxpayers whether a discount is a bona fide discount. The Department's long standing position has been that a discount is bona fide if it is not in exchange for a service or benefit. The Department has also issued ETA 3173 to provide examples of the types of documentation and activities that would qualify as bona fide discounts.

A copy of this document is available via the Internet at [Recent Rule and Interpretive Statements, Adoptions, and Repeals](#).

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OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
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