



Digital Products and Remote Access Software Exemption Certificate

DRAFT

This certificate allows the buyer to make tax exempt purchases using the exemptions checked below. This certificate can not be used for purchases for personal use.

List of digital goods, digital automated services, digital codes, remote access software, and prewritten software to be purchased (attach additional information if necessary):

Exemptions claimed

Check all that apply (see page 2 for exemption descriptions):

- Purchased for use as an ingredient or component of a new product for sale.
- Purchased to be made available at no charge to others.
- Standard digital information purchased solely for a business purpose.
- Purchased for concurrent use by the buyer in and out of Washington State. Buyer must report use tax for in-state use.

Purchases for resale

- Purchased to be resold in the regular course of business without intervening use.
For purchases made after December 31, 2009, you must enter your Reseller's Permit number: _____

Seller's Information

Business Name: _____

Buyer's Information

Business Name: _____ Tax Registration Number: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone Number: _____ Email Address: _____

Type of Business: _____

I certify that the purchase(s) I am making qualify as indicated above. I understand that misuse of this certificate will result in taxes due, interest, and possible penalties.

Print name of person authorized by the buyer to sign the exemption certificate.

Signature of authorized buyer.

Date

This certificate is valid for as long as the buyer and seller have at least one sales transaction within twelve consecutive months. RCW 82.08.050 (7)(c).

Reminder to Sellers: As of July 26, 2009, sellers of digital products or remote access software must file the state excise tax return electronically. Go to dor.wa.gov to file online.

Seller must retain a copy of this certificate. Do not send to Department of Revenue.

Exemption Information

General Information

Sales of digital products are subject to sales tax. Digital products are digital goods or digital automated services. Examples of digital goods include music and movies that are transferred electronically, regardless of whether downloaded, streamed or otherwise accessed.

Sales tax also applies to prewritten computer software and remote access software.

Certain goods or services are not considered “digital products” even though they may be transferred electronically. For example, services performed primarily as a result of human effort in response to a customer’s request are not a digital product even if transferred electronically. Other examples include internet access, telecommunication services and payment processing services. For more information about digital products please see <http://dor.wa.gov/digitalproducts>.

Exemptions

Purchases for the following purposes are not subject to sales tax when the buyer provides a valid exemption certificate:

- **Purchased for use as an ingredient or component of a new product for sale:** A business must be purchasing digital products, digital codes or remote access software that will become an ingredient or component of a new product.
- **Purchased to be made available at no charge to others:** A business must be purchasing digital products, digital codes, and remote access software to make available free of charge for others to use or enjoy.
- **Standard digital information purchased solely for a business purpose:** Standard digital information consists primarily of data, facts, or information that is not generated for a specific client or customer. “Business purpose” means the information is relevant to the buyer’s business needs. This exemption does not apply to purchases for personal or household purposes or for any activity conducted by a government entity. This exemption also does not apply to purchases of digital automated services, prewritten software, or remote access software.
- **Purchased for concurrent use by the buyer in and out of Washington State:** A business may purchase digital products, digital codes, prewritten computer software, or remote access software for concurrent use by its employees located inside and outside the state. A business claiming this exemption must report and pay use tax on that portion of the digital products, digital code, or remote access software used in Washington. The taxable amount is determined by the number of users in this state compared to users everywhere. Generally, digital products and remote access software are used in Washington when the buyer first accesses, downloads, possesses, opens, stores, enjoys, or receives the benefit of the service in this state. A buyer may not claim a multiple points of use exemption for personal use.

Purchases for Resale

Sales tax does not apply to purchases for resale of tangible personal property, digital products, digital codes, prewritten software, and remote access software. The buyer must give the seller a completed resale certificate when the sale occurs. The seller must keep the certificate, or a copy of the certificate, in their records for five years. This exemption certificate may be used instead of a resale certificate. Sales tax applies unless the buyer provides this exemption certificate or a resale certificate.

As of January 1, 2010, the resale certificate will be replaced by the Reseller’s Permit. You may apply for a Reseller’s Permit number from the Department beginning October 2009. For information about the Reseller’s Permit, visit dor.wa.gov.

How to report and pay use tax

Use tax is based on the value of the goods when first used in Washington, which is generally the purchase price. The state tax rate is 6.5%. Local rates vary depending on your location. To determine the correct rate, refer to the Local Sales Tax Rates & Changes Flyer or the Tax Rate Lookup Tool available at dor.wa.gov.

To pay use tax:

- **Online:** Use our secure online application which provides simple filing steps and payment methods.
- **By paper:** Complete and mail a Consumer Use Tax Return.

For tax assistance visit dor.wa.gov or call 1-800-647-7706. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may call 1-800-451-7985.