

Tax Facts

Got Questions?....We can help!

In the next few weeks, many thousands of businesses will prepare and file excise tax returns. To meet the high demand for assistance during this very busy time, the Department of Revenue offers a number of services to assist you.

Internet/Electronic Services

Check out our web site at <http://dor.wa.gov> to save time in completing and filing your Combined Excise Tax Return. Brochures, tax forms, local sales tax rates, frequently asked questions . . . they are all at your fingertips, 24 hours a day. You can also update your account information, change your address, or close your account under the "Contact Us" tab. (See page four for more information on electronic services.)

Automated Telephone Services

Our toll-free automated services offer access to forms and information, as well as allow you to change an address, close your business, or make other changes to your account. Simply call 1-800-647-7706. Listen to the menu and select from the many options available, including:

- *Fast Fax*, which transmits documents directly to your fax machine
- Account changes
- Business closures

For prerecorded tax information, call *Tax Express* at 1-800-334-8969. Three-digit codes are assigned to each prerecorded topic. To receive a list of topics and codes, call 1-800-647-7706 and leave a message with the automated attendant.

Telephone Information Center

If you can't find the information you're looking for online or via the automated telephone service, call 1-800-647-7706 for personal assistance. Tax information specialists in our Telephone Information Center are available to help you from 7:30 a.m. to 5:00 p.m., Monday through Friday, except for Wednesdays when the phone lines open at 9:00 a.m.

Because of the number of taxpayers filing returns, the phone lines become very busy during January. To help us better serve you, here are a few helpful tips:

- Call early in the month with your questions, before January 15.
- Avoid calling between 10:00 a.m. and 2:00 p.m. - usually the busiest time of the day.
- Have your registration/UBI/ DOR tax reporting number and tax return available. This nine-digit number is printed on the tax return, above the name and address label.
- Have your gross income figures prepared to complete the return.
- Stay on the line and be patient - we answer every call in the order received.

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Petroleum Products Tax to be Re-imposed

In 1989, the Legislature enacted the petroleum products tax (PPT) to finance a state pollution liability insurance program. The program provides an affordable insurance program to owners and operators of underground petroleum storage tanks and heating oil tanks. PPT tax revenues are dedicated to a trust account that funds the insurance program. The PPT is imposed on the first possessor of petroleum products in the state.

The law provides that the PPT will not be imposed if the balance in the trust account is more than \$15 million, but will be re-imposed if the account balance is below \$7.5 million. In 1993, the account balance exceeded \$15 million and imposition of the tax was suspended at that time. Now, the trust account balance is approaching \$7.5 million. The re-imposition will be effective at the beginning of a calendar quarter in 2003 after the account balance drops below \$7.5 million. At this time, the Department cannot predict in which calendar quarter the minimum balance will be reached, but it is apparent that it will occur sometime in 2003.

Once the Department can determine the calendar quarter in which the PPT will be re-imposed, a Special Notice will be mailed to a targeted group of businesses. Additionally, we will post information on the re-imposition, along with the Special Notice, on our web site at <http://dor.wa.gov>.



Tax Workshops

Register for workshops online at http://dor.wa.gov/services/services_wrkshop.asp or call the number listed below.

New Business Outreach

New Business Outreach (NBO) Workshops provide a basic overview of taxes that apply to various business activities in Washington. Topics include tax reporting classifications, deductions, collecting sales tax, and record keeping requirements.

DATE	LOCATION	ADDRESS	TIME
1/14/03	Port Angeles	Port Angeles City Hall Council Chambers 321 East 5 th Street, Port Angeles (To register, please call 360/457-2564)	9:00-12:00
1/14/03	Bellingham	Worksource Office, 101 Prospect Street, Ste 10 Conference Room, Bellingham (To register, please call 360/738-6111)	1:00-4:00
1/15/03	Spokane	Dept. of Revenue, 8th floor of Northtown Office Bldg. 4407 N. Division, Spokane (To register, please call 509/482-3805)	8:30-11:30; 1:30-4:30

Construction Industry Tax Workshop

This two-hour workshop is structured to provide tax information specific to the construction industry. Topics include custom construction, speculative building, government contracting, public road construction, and much more.

DATE	LOCATION	ADDRESS	TIME
1/22/03	Everett	Everett Community College Jackson Center Building, JCR Room 2000 Tower Street, Everett	10:00-12:00



Q. Are prepaid telephone calling cards subject to retail sales tax?

A. Yes, sales of prepaid telephone calling cards are retail sales, subject to retail sales tax. The card purchased represents a sale of telephone services. Network telephone services are specifically defined as retail sales in RCW 82.04.050(5).

Charges for telephone calls that originate and terminate outside of Washington are interstate sales, and normally not taxed in Washington. However, at the time of sale, sellers of telephone calling cards have no way of knowing where the calls will originate or terminate. Thus, **sales tax applies to all telephone calling cards purchased in Washington.**

In addition to collecting sales tax, persons selling telephone cards must report the gross sales under the retailing B&O tax classification. For more information, see Excise Tax Advisory (ETA) 567.08.245.

New Innovations with Electronic Filing

Two recent enhancements make it easier than ever to report and pay your taxes using the Electronic Filing (ELF) service.

The **data upload feature** allows businesses to upload large amounts of data without having to reenter data already keyed into spreadsheets or other accounting software. This feature will be particularly useful for businesses coding sales tax to many locations. Users will need to convert their data into CSV (comma-delimited) format prior to uploading it. Complete instructions can be obtained by selecting the "data upload" option within the ELF application and choosing "help."

For taxpayers that don't owe taxes for a given period, the **no-business-return feature** allows them to select a "no business return" option to file simply and quickly. To use this feature, you'll first need to register in ELF. Instructions for registering are available by selecting the "no business returns" option in ELF.

To learn more about ELF and see if it will work for you, click on the ELF icon at <http://dor.wa.gov>.



Excise Tax Advisories

Issued:

- 2009 BTA nonacquiescences. *Issued August 20, 2002.*
- 2010.04.08.183 Health and physical fitness clubs receiving initiation fees and dues income. *Issued October 1, 2002.*

Cancelled:

- 552.99.29A Leasehold Excise Tax – Exemption for public employees – condition of employment. *September 26, 2002.*



Rule Changes

The following excise tax rules were recently adopted:

- 458-20-151 Dentists and other health care providers, dental laboratories, and dental technicians - *Amended effective November 17, 2002.*
- 458-20-17803 Use tax on promotional materials - *Second emergency rule adopted September 27, 2002.*
- 458-20-185 Tax on tobacco products - *Second emergency rule adopted October 25, 2002.*



On the Web

<http://dor.wa.gov>

Closing your DOR account . . .

. . . has never been easier! There are many possible reasons why you may want to close your tax reporting account with the Department of Revenue. And now we offer a simple, time-saving method that will ensure your account is closed when appropriate.

How it's done

Click on the "Contact Us" button on our home page, then look to the right under *Find it Fast*. Select "Business Account Closure/Update" and check the "Close Your Account" box. To make your changes, click on the "Display Selection" button. This feature allows you to update your business mailing or physical address, change a telephone number - even tell us if your business activity has changed.



Special Notices

Addressed-based Database Now Available for Local Tax Coding for Mobile Telecommunications Services introduces a new, downloadable electronic database developed to assist mobile telecommunication providers and the public in determining the correct local tax code and rate for individual addresses in Washington. *Issued September 10, 2002.*

New State Enhanced 911 Tax on Cellular Telephone Service explains a new tax on wireless services passed by the 2002 Legislature. *Issued November 14, 2002.*

Pesticides and the Hazardous Substance Tax discusses how persons that sell, apply, or use pesticides in Washington may be subject to hazardous substance tax. *Issued November 2000.*



Need Assistance

1-800-647-7706

Call the Telephone Information Center at 1-800-647-7706, Monday, Tuesday, Thursday, and Friday, 7:30 a.m. to 5:00 p.m.; Wednesday, 9:00 a.m. to 5:00 p.m. For local assistance, visit the Department's web site at <http://dor.wa.gov> under the "Contact Us" button, local field office.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 486-2342. Teletype (TTY) users please call 1-800-451-7985.



More Publications

During the year, the Department of Revenue updated and revised a number of publications, for example, brochures on cigarette tax, fish tax, business and occupation tax, and retail sales tax. These, and dozens of other tax-related publications, are available on our web site under "Publications."

Throughout the year, DOR's Appeals division publishes Washington Tax Decisions (WTDs). Published WTDs provide guidance on applications and interpretations of tax statutes, administrative rules, and Department of Revenue policies to taxpayers and DOR personnel. The cases are sanitized to protect the identities of the taxpayers involved. You can receive notification of newly issued WTDs through our e-mail service, Listserv. For more information on Listserv, look on our web site under the "Contact Us" button.