



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 They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.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: 004.08.12.171

CONVERSION DATE: July 1, 1998

**This ETA is cancelled effective February 2, 2009 and reissued under the 3000 series.
See ETA 3001 for a cross-reference to the new series.**

ROAD CONSTRUCTION - CONTRACTORS APPLYING
SAND, GRAVEL AND ROCK
SALES TAX - USE TAX

Issued December 28, 1982

A person who applies sand, gravel, rock and similar materials in the performance of a contract to construct or repair streets, roads, highways, bridges, etc. which are owned by a municipal corporation or political subdivision of the state of Washington or by the United States is the consumer of such materials as a public road contractor. Sales of sand, gravel, rock and similar materials to such persons are subject to the retail sales tax.

Such persons are liable for payment of the use tax upon the value of applied materials where the materials are extracted from private pits or quarries as well as those owned by or leased to the public authority whose street, road, etc. is being constructed or repaired, or otherwise acquired under circumstances in which the retail sales tax is not paid.

In the case of extracted materials which have been crushed, washed, screened, mixed with other processed materials or otherwise subjected to any form of manufacturing or processing, the measure of value for computing the use tax is the total cost of extraction and processing, including the cost of

transportation to the processing point, but not including labor and transportation from the processing point to the job site.

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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In the case of fill dirt, quarry rubble, pit ran sand, gravel, rock or riprap, and similar natural materials which are not processed after extraction, the measure of value for computing the use tax is the cost of extraction, but not including labor and transportation to the job site.

The foregoing does not apply to the sale or use of sand, gravel, rock or riprap, and similar material applied in the construction or repair of any street road, highway, bridge, etc., that is privately owned or that is owned by the state of Washington. In such cases the person applying the materials is not the consumer, rather the materials are sold by the contractor as components of the street, road, highway, bridge, etc. and retail sales tax is due on the full contract price. In these instances the purchasing road contractor may tender a resale certificate to the vendor of such road materials.