



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 They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.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: 014.04.203

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.**

SALE WITHOUT TRANSFER OF POSSESSION

Issued July 1, 1966

Is a subsequent sale by a corporation of goods remaining in the warehouse of an affiliated corporation from which they were purchased taxable under the "Wholesaling" classification of the Business and Occupation Tax?

Goods were purchased from a corporation which was the marketing outlet for an affiliated supplier. The goods were still in the warehouse of the supplier although the supplier had previously sold them to the marketing outlet. Under Rule 203 these corporations are separate legal "persons" notwithstanding their affiliation. Since a "sale" means any transfer of the ownership of, title to, or possession of property for valuable consideration," RCW 82.04.040, both the sale from the supplier to the marketing outlet and the sale from the marketing outlet to a subsequent purchaser are taxable, irrespective of whether any physical transfer of the goods occurs.

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.

Please direct comments to:
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To inquire about the availability of receiving this document in an alternate format for the visually impaired or language other than English, please call (360)705-6715. Teletype (TTY) users please call 1-800-451-7985.



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