



State of Washington  
Department of Revenue

# Excise Tax Advisory

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 They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

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**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.**

## USE TAX AND GOODS DEMONSTRATED IN THE PROCESS OF SALE

Issued July 15, 1966

Are machines which are a part of the regular stock of goods available for sale, but which are also used for demonstration purposes by company salesmen subject to Use Tax liability?

Taxpayer employed salesmen who were provided with a stock of goods for sale. None of the machines was issued to the salesmen for the particular purpose of serving as demonstration models and all machines were available for sale in the regular course of business. The company policy was to sell the machine displayed and demonstrated.

The taxpayer was using a specific machine for demonstration purposes only in connection with efforts to sell that same machine. As such the Use Tax was not applicable as the demonstration was a part of the retail sale process, and not a separate use of the machine by the taxpayer.

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***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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