



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 They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.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: 128.08.173

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.**

DISMANTLING OF EQUIPMENT AS RETAIL SALES

Issued August 5, 1966

Does the dismantling of equipment as part of the process of loading the same on railroad cars constitute services which are taxable as a retail sale?

Taxpayer dismantled equipment as it came off ships and placed it in railroad cars. The job included moving, preparation for shipment, packing, crating, loading, welding and affixing of blocking materials in cars, and tying down materials with cables for shipment. A tax was assessed under the Retail Sales classification.

RCW 82.04.050 defines "sale at retail" to include "labor and services rendered in respect to . . . installing, repairing, cleaning, altering, imprinting, or improving of tangible personal property of or for consumers."

The Commission held that although contracts to perform dismantling or disassembly might qualify as retail sales under a definition of "altering," under circumstances where dismantling was merely incidental to the over-all crating, packing, and loading operations, there was sufficient doubt as to the legislative intent that the transaction should not be held to fall within the definition of "sale at retail". Thus, the transactions were held taxable under the "Service and Other Activities" classification.

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:
Department of Revenue
Legislation & Policy Division
P O Box 47467
Olympia, Washington 98504-7467
(360) 753-4161 eta@DOR.wa.gov

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)753-3217. Teletype (TTY) users please call 1-800-451-7985.