



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 They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

NUMBER: 172.04.136 *Repealed 6/17/2000*

CONVERSION DATE: July 1, 1998

STAINING OF LUMBER CONSTITUTES MANUFACTURING

Issued August 19, 1966

Repealed 6/17/2000

Does the staining of lumber, siding, and shingles comprise a manufacturing process for tax purposes?

The taxpayer was engaged in the business of staining various wood products. The staining of the lumber and siding preserved, protected and beautified the wood products. The taxpayer also purchased shingles which were then scored, squared, and stained.

RCW 82.04.120 defines manufacturing to include all activities of a commercial or industrial nature wherein labor or skill is applied, by hand or machinery, to materials whereby a new, different or useful substance or article is produced. The activity of staining the wood products did result in a new, different or useful article. The added beautification, preservation, and protection gave new and different qualities to the lumber and siding. Similarly, the scoring, squaring, and staining of the shingles also resulted in a new, different, or useful article. The Manufacturing classification of the Business and Occupation Tax was held applicable to these manufacturing activities. (Order.)

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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