



State of Washington
Department of Revenue

Excise Tax Advisory

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SALES TO NONRESIDENT FARMERS AND THE MACHINERY AND IMPLEMENTS EXEMPTION

Issued August 26, 1966

Are the sales of prefabricated buildings to nonresidents for use in farming activities exempt from Sales Tax?

The taxpayer sold prefabricated buildings to nonresident farmers for use outside the state. The taxpayer claimed that as the buildings were for use by nonresident farmers in conducting their farming activities, the sales of the buildings were exempt from Sales Tax.

RCW 82.08.030(17) provides an exemption from Sales Tax in respect to sales to nonresidents of machinery and implements for use in conducting a farming activity outside the state when the machinery and implements are immediately transported out of state. Rule 239 requires that the seller receive from the buyer an exemption certificate and examine acceptable proof that the buyer is a nonresident of Washington. The Commission held that prefabricated buildings were not within the scope of the machinery and implements exemption. However, if the taxpayer, as seller, agreed to deliver the buildings to the nonresident purchasers at a point outside the state, the exemptions from Sales Tax and Business and Occupation Tax provided for in Rule 193 would have applied. (Letter.)

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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