



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 They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

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NUMBER: 190.04.210

CONVERSION DATE: July 1, 1998

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**THIS ETA HAS BEEN CANCELLED EFFECTIVE -0/30/2003**  
**See WAC 458-20-210**

## FEEDING AND FATTENING CATTLE AND THE AGRICULTURAL PRODUCTS EXEMPTION

Issued August 26, 1966

Does the agricultural products exemption from Business Tax apply to persons who buy, feed, and sell cattle?

The taxpayer purchased cattle for his feedlot operation. The cattle were fed until they attained good market condition and were then sold. The taxpayer claimed exemption from the Business Tax because the cattle were raised for sale upon the taxpayer's land.

RCW 82.04.330 provides an exemption from the Business Tax for wholesale sales of agricultural and horticultural products by persons who produce or raise the products on their own land. The Commission has ruled that persons who buy livestock and feed or fatten them prior to sale are entitled to exemption as "growers, producers, or raisers." However, those persons who hold cattle for less than sixty days are presumed to be in the business of making purchases and wholesale sales of cattle without engaging in the normal activities of raising such livestock for sale. Thus the agricultural products exemption is not available to livestock dealers. The taxpayer had held his cattle for more than sixty days while preparing the cattle for market, and the sale of these cattle was not subject to the Business Tax. (Letter.)

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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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