



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 They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.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: 203.08.175

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.**

"UTILITY BOXES" USED TO SHIP CARGO IN INTERSTATE COMMERCE

Issued September 2, 1966

Does the retail sales or use tax apply to the purchase and use of containers into which cargo is loaded at the point of shipment and in which the cargo remains until it reaches its destination in interstate commerce?

The taxpayer, a steamship company, purchased a number of so-called "utility boxes" equipped with refrigeration units for use in the carriage of cargo between this state and another state. The cargo was loaded into these containers at the point of shipment into interstate commerce and remained there until it reached its destination. The taxpayer claimed that neither the retail sales tax nor the use tax applied to the purchase and use of these "utility boxes."

The Tax Commission held that the retail sales tax was not applicable because of the specific exemption provided for interstate carriers by air, rail, or water under RCW 82.08.030(10). The taxpayer was an interstate carrier by water and qualified for this exemption.

The Commission further held that the taxpayer was entitled to a use tax exemption under Rule 175 which excludes from the tax base the value of durable goods used aboard carrier property while engaged in interstate or foreign commerce. The "utility boxes" were held to be durable goods within the meaning of Rule 175. (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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