



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 in nature only.

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NUMBER: 215.04.173

CONVERSION DATE: July 1, 1998

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**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.**

## REPAIR WORK ON GOODS DAMAGED IN TRANSIT AS ORDERED BY THE SHIPPER AND THE CARRIER

Issued September 9, 1966

Does the Retail Sales Tax apply to the repairing of items damaged in transit (a) when the work is ordered by the shipper and (b) when it is ordered by the carrier?

The taxpayer, a sheet metal works company, requested the Tax Commission for advice as to its liability for collection of the Retail Sales Tax when it repaired goods damaged in transit both for shippers for resale and for carriers.

The Tax Commission held that when the taxpayer repaired articles damaged in transit on the order of a shipper and the item repaired was for resale by the shipper, the Retail Sales Tax was not applicable. Upon receipt of a resale certificate from the shipper certifying that the goods are for resale in the course of the shipper's business activities, the taxpayer may exclude the Retail Sales Tax from its billing and report the transaction under the Business and Occupation Tax classification, "Wholesaling," RCW 82.04.060.

However, the Commission noted, where repair work was performed on the order of the carrier, the transaction was a "sale at retail" RCW 82.04.050, and was subject to the Retail Sales Tax. The carrier was not reselling either the repair work or the commodity upon which the repair work was performed and, hence, was not eligible to present a resale certificate in order to gain a Retail Sales Tax exemption. (Letter.)

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***ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2- prefix are new advisories or ETBs that have been revised or readopted after review under the Department's regulatory improvement program.***

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