



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 They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.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: 216.08.113

CONVERSION DATE: July 1, 1998

This ETA is cancelled effective February 28, 2007

CHEMICALS AND OTHER ARTICLES USED IN PURIFYING WATER

Issued September 9, 1966

Are purchases of chemicals, filters, and screens for use in purifying water for sale exempt from Sales Tax?

The taxpayer, a city, processed water for sale. Chlorine and other chemicals were added to the water to purify it. Filters and screens were also used for purification purposes. An exemption from Sales Tax was claimed on purchases of chemicals and other materials used in purifying the water.

RCW 82.04.050 provides an exemption from Sales Tax on purchases of articles of tangible personal property which physically enter into and form a part of a new article or substance produced for sale. Chlorine, in purifying water, actually becomes an ingredient or component of the water. Filters and screens, although serving to purify water, do not enter into and become a part of the water. As the chlorine and other chemicals were a part of the water being sold, purchases of these chemicals were held exempt from tax. However, the Sales Tax did apply to purchases of filters and screens by the taxpayer. (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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