



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 They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.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: 220.08.176

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.**

AIRPLANES USED ON VESSELS ENGAGED IN COMMERCIAL DEEP SEA FISHING OPERATIONS

Issued September 9, 1966

Where an airplane is used with a vessel engaging in commercial deep sea fishing operations for the purposes of locating schools of fish and flying emergency missions to and from the vessel, is its purchase exempt from the Retail Sales Tax?

The taxpayer, an airplane retailer, sold an airplane to a boat building company for use on its commercial deep sea fishing vessel. The plane was to be used to locate schools of fish and to make emergency trips to and from the boat while it was at sea. The purchaser furnished the taxpayer with a certificate which stated that the plane would be used primarily in deep sea fishing operations outside the territorial waters of Washington. Further evidence showed that the vessel for which the plane was purchased was equipped with a special cradle on which the plane could be held and a boom by means of which it could be raised or lowered to the water. The plane was equipped with floats by means of which it could land and take off from water. The question was whether the taxpayer was correct in accepting the certificate and considering the plane to be watercraft in itself or a component part of a water craft, in either case, to be used for commercial deep sea fishing.

The Tax Commission held that the certificate was taken in accordance with the provisions of Rule 176 which states in part:

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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The term "water craft" means every type of floating equipment which is designed for the purpose of carrying therein or therewith fishing gear, fish catch, or fishing crews, and used primarily in commercial deep sea fishing operations outside the territorial waters of the State of Washington.

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The term "component part" includes all tangible personal property which is attached to and a part of a water craft. It includes dories, gurdies and accessories, bait tanks, baiting tables and turntables. . . .

The Commission therefore concluded that under RCW 82.08.030(11) and Rule 176 planes so used could reasonably be construed as being in either capacity, i.e., "water craft" or "component part", Rule 176, and that the taxpayer retailer was correct in accepting the Retail Sales Tax exemption certificate. (Letter.)