



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 They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

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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.**

EMPLOYEE REIMBURSED GASOLINE COSTS

Issued July 24, 1970

Is the reimbursement of gasoline costs for personal use driving by employees and paid for by company credit cards deductible as advances and reimbursements?

The department's auditor had classified these reimbursed amounts as automobile "rental" income to the company whose employees were allowed to use company cars for personal use. However, it is clear that the employees were required to provide their own gasoline for personal mileage traveled in company cars.

The department ruled that such reimbursements are deductible as advances and reimbursements as provided under Rule 111. Since the gasoline purchases and/or expenses were incurred by employees and payment was made through the use of company credit cards, such purchases were not properly included in the company's gross proceeds of sales.

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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