



Excise Tax Advisory

Excise Tax Advisories are interpretive statements authorized by RCW 34.05.230.

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Retail Sales Tax on Items Used in Meat Processing

Meat processors use various articles in their activities that are discarded when the processing is complete. For example, stockinettes hold hams in place during the curing process and are ultimately discarded. Casings were used in the forming of skinless sausage and linker thread was used to tie off the links. Before selling the skinless sausage, these articles are removed and discarded.

The retail sales tax applies to sales of tangible personal property to "consumers." "Consumer" is defined in RCW 82.04.190 as a user of an article other than in the production for sale of "a new article of tangible personal property or a new substance, of which such property becomes an ingredient or component."

Because these articles were discarded prior to their resale, they did not become ingredients or components of a manufactured article and the purchase of them is subject to retail sales tax. If retail sales tax was not paid, the meat processor will owe use tax. The fact that they are temporarily united with other ingredients or their utility was destroyed in the course of processing is immaterial to determination of the tax consequences.

All ETAs were cancelled on February 2, 2009 and those which had a continued use were rewritten and reissued using a new numbering system. The new ETAs are numbered using the following format 3nnn.yyyy. The Department of Revenue issued ETA 3001.2009 which includes a cross reference table showing the old and new ETA numbers for those ETAs that were rewritten.

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