



Excise Tax Advisory

Excise Tax Advisories are interpretive statements authorized by RCW 34.05.230.

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Reimbursement of a Venturer in a Joint Venture

Is reimbursement to partners for equipment furnished and other efforts undertaken by a partner on behalf of the partnership taxable under the retail sales tax?

When a joint venturer furnishes equipment pursuant to the joint venture agreement and receives a priority payment from the joint venture for the use of that equipment, the determination of whether there was a rental of equipment is dependent on whether the payment to the contributing joint venturer is absolute or not.

Rental is "absolute" when it is payable in any event, regardless of whether or not the profits of the venture are adequate to meet the payments. The division of the assets or profits of a joint venture is not subject to tax, but the payment of a firm debt or an account payable for services performed for the joint venture is subject to tax even though the services have been performed by a joint venturer.

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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