

Cite as 4 WTD 357 (1987)

BEFORE THE INTERPRETATION AND APPEALS DIVISION
DEPARTMENT OF REVENUE
STATE OF WASHINGTON

In the Matter of the Petition)	<u>D</u> <u>E</u> <u>T</u> <u>E</u> <u>R</u> <u>M</u> <u>I</u> <u>N</u> <u>A</u> <u>T</u> <u>I</u>
<u>O</u> <u>N</u>	
For Refund of)	
)	No. 87-365
)	
. . .)	Use Tax -- . . .
)	
)	

[1] **RCW 82.12.010, 82.12.020, Rule 178:** USE TAX --
VALUE -- MANUFACTURER'S REBATE. A rebate given by
the manufacturer, and assigned to a dealer by a
purchaser, is part of the taxable value of the
property, and subject to the Washington Use Tax.

Headnotes are provided as a convenience for the reader and are
not in any way a part of the decision or in any way to be used
in construing or interpreting this Determination.

NATURE OF ACTION:

Taxpayer petitions for return of use tax paid on that part of
the price of a vehicle paid by a manufacturer's rebate.

FACTS AND ISSUES:

Hesselholt, A.L.J. -- Taxpayer, a Washington resident,
purchased a vehicle while temporarily residing in Illinois.
Taxpayer received a rebate of \$900 on the purchase, which he
assigned to the dealer. Taxpayer paid the balance of the
selling price, less his trade-in, in cash. Upon returning to
Washington, taxpayer was assessed use tax upon the price paid
for the vehicle, including the rebate. Taxpayer filed a
petition for refund, arguing that the rebate was actually a
discount in the selling price, and thus should not have been
included in the taxable value of the vehicle.

The issue presented is whether a manufacturer's rebate is included in the taxable value of property for the purposes of the Washington Use Tax.

DISCUSSION:

The use tax is imposed on residents of Washington for "the privilege of using within this state any article of tangible personal property . . ." when the user has not previously paid the Washington Retail Sales Tax. RCW 82.12.020, WAC 458-20-178(2). The tax is imposed on the value of the article and imposed at the same rate as the sales tax. "Value" is defined as "the consideration, whether money, credit, rights, or other property except trade-in property of like kind" RCW 82.12.010, WAC 458-20-178(8)(13). Thus, the value of the vehicle for use tax purposes would be the actual sales price, less any trade-in.

[1] A manufacturer's rebate is, when assigned to the dealer of the vehicle, a "right," given to the dealer by the purchaser and thus part of the consideration given. WAC 458-20-178(13) The amount of the rebate is properly included in the taxable value of the car.

DECISION AND DISPOSITION:

Taxpayer's petition is denied.

DATED this 18th day of December 1987.