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 They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.**

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## PAVING CUTS

Issued September 23, 1966

Does a contract for the installation of gas mains by opening and closing of publicly owned road surfaces constitute "Public Road Construction?"

Advice has been requested regarding the proper classification of contracts to install gas mains, water mains, sanitary sewers, etc., which involves pavement cuts or the opening and closing of publicly owned roads.

The classification "Public Road Construction" is imposed upon the "building, repairing, or improving of a publicly owned street, place, road, etc." RCW 82.04.050. It is the position of the Commission that the mere opening and closing of the road surface for the purpose of installing underground facilities does not constitute building, repairing, or improving since the road surface is simply returned to its original condition. Thus, the full contract price is taxable as a retail sale. (Letter.)

***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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Please direct comments to:
Department of Revenue
Legislation & Policy Division
P O Box 47467
Olympia, Washington 98504-7467
(360) 753-4161 eta@DOR.wa.gov