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 They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

NUMBER: 379.12.165 CONVERSION DATE: July 1, 1998

LAUNDRY EQUIPMENT USED IN FACILITATING SALES

Issued June 19, 1970

Is the retail sales or use tax due upon laundry equipment which is placed into "use" even though such "use" is to facilitate sale of the location?

The taxpayer establishes new locations for coin operated laundry facilities and operates them until a suitable buyer can be found. The taxpayer objects to the assessment of use tax on equipment placed into use at new locations contending that the equipment was held for resale at all times and that in those instances where the equipment was resold the retail sales tax was accounted for.

The department held that use tax is due. It is clear that the taxpayer used the equipment in the operation of regular laundry businesses even though the businesses were for sale during the period of operation. Thus the equipment was not held merely for resale. Purchases for resale are exempt from retail sales tax or use tax only when resold "without intervening use" (RCW 82.04.050). The legislative intent is that the retail sales tax shall apply to successive retail sales of the same property, RCW 82.08.020, and that the use tax shall apply to successive users of the same property, RCW 82.12.020.

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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