Cite as Det. No. 20-0323, 41 WTD 345 (2022)

BEFORE THE ADMINISTRATIVE REVIEW AND HEARINGS DIVISION
DEPARTMENT OF REVENUE
STATE OF WASHINGTON

In the Matter of the Petition for Correction of Assessment of	)	D E T E R M I N A T I O N
	)	No. 20-0323
. . .	)	Registration No. . . .

[1] WAC 458-20-126; RCW 82.08.050; RCW 82.08.0255; RCW 82.04.4285; RCW 82.12.020; CHAPTER 82.38 RCW: FUEL TAX DEDUCTION – FUEL TAX REFUND – RETAIL SALES TAX – USE TAX – OFF-HIGHWAY USE – PERSONAL USE. An aircraft service provider was not entitled to take a motor fuel retail sales or use tax deduction, or B&O tax deduction, on sales of fuel because it purchased the fuel for off-highway use, both for sale as fuel and for personal use. Refunds of fuel tax paid are available in some circumstances; however, this program is administrated by the Washington Department of Licensing. A person receiving a refund of vehicle fuel taxes because of the off-highway consumption of the fuel in this state may be subject to use tax on the value of the fuel.

[2] WAC 458-20-211; RCW 82.04.050(4); RCW 82.08.050: RENTAL OF GROUND EQUIPMENT. Rentals of ground equipment are retail sales. Sellers of rental services have the duty to collect and accurately report retail sales tax on these sales.

[3] WAC 458-20-175; RCW 82.04.070; RCW 82.08.010; RCW 82.42.020: RETAIL SALES AND USE TAX ON AIRCRAFT FUEL – REFUELING CHARGES ASSOCIATED WITH SALES OF FUEL – CHARGES NECESSARY TO COMPLETE THE SALE. Sales of aircraft fuel are subject to retail sales tax or use tax under RCW 82.42.020. The tax must be collected from every user of aircraft fuel and must be collected and paid but once in respect to any aircraft fuel. Charges for refueling services when provided with sales of fuel must be included in the gross retail sales price for the fuel purchase.

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.

LaMarche, T.R.O. – A business (Taxpayer) that provides aircraft-related ground services, equipment rental, fuel sales, and fueling services, disputes its assessment on several grounds. First, Taxpayer argues that it paid fuel tax on certain purchases of fuel it sold or used, so it should not

also be assessed sales or use tax on the same fuel. Alternatively, Taxpayer argues that if use tax is due, fuel usage for 2014 was overestimated.

Next, Taxpayer argues that it collected and remitted retail sales tax on certain rental sales that was not taken into consideration in the audit. Finally, Taxpayer disputes the inclusion of its refueling service income in the retail sales price of its related fuel sales, arguing that the fueling services were charged in line items separate from the charges for fuel. On those grounds, Taxpayer contends that the fueling services are not subject to sales tax. We deny the petition.[1]

ISSUES

1. Under RCW 82.08.050(1), RCW 82.08.0255(1)(f), RCW 82.12.020, Chapter 82.38 RCW, and WAC 458-20-126, is Taxpayer subject to use tax or retail sales tax on certain personal use and sales of fuel for off-highway use, when it allegedly paid fuel tax on its purchases of the fuel; and if so, did the Department overestimate the amount of use tax owed for 2014?

2. Under RCW 82.04.050(4)(a), RCW 82.08.050, and WAC 458-20-211, has Taxpayer shown that it correctly charged, collected, and remitted retail sales tax on its income from rental of certain airport ground equipment?

3. Under RCW 82.08.010(1), should charges for aircraft refueling services related to certain sales of jet fuel be combined as "gross proceeds of sales" subject to retail sales tax, when the charges are allegedly separately stated?

FINDINGS OF FACT

. . . (Taxpayer) is . . . [an out-of-state]-based company with taxable nexus in Washington State. From January 1, 2014, through December 31, 2017, Taxpayer provided services in this state including aircraft refueling, baggage handling, ramp handling, and de-icing services. Taxpayer also rented out ground equipment, made retail sales of jet fuel to airlines, and made retail sales of gasoline and diesel used in ground service vehicles and other equipment, at an airport located in Washington.

The Department of Revenue's (Department) Audit Division (Audit), audited Taxpayer's business activities for the periods from January 1, 2014, through December 31, 2017 (Audit Period). Audit concluded, in relevant part, that Taxpayer owed business and occupation (B&O) tax and sales or use tax on certain purchases and uses of fuel, and rental of certain airport ground vehicles. The Department issued an assessment on October 18, 2019, totaling $. . .[2] Taxpayer did not pay the assessment, but timely filed a petition for review.

For clarity, we will set out separately the facts underlying each of the three areas of dispute, as follows.

[1] Identifying details regarding the taxpayer and the assessment have been redacted pursuant to RCW 82.32.410.
[2] The $. . . in tax in the assessment is broken out as follows: a credit of $. . . in service and other activities B&O tax; $. . . in retailing B&O tax; $. . . in retail sales tax; and $. . . in use tax on certain purchases of capital assets, expense purchases, and use of automobile/diesel fuel for off-highway self-use.

Motor vehicle fuel sales tax deductions on sales of motor vehicle fuel and special fuel

During the Audit Period, Taxpayer made sales of motor vehicle fuel and special fuel[3] to airlines and other customers to be used in ground service vehicles and other equipment at the airport. The fuel was sold for off-highway use. Taxpayer did not charge its customers sales tax. Taxpayer reported the income from these sales as retail income, but took motor vehicle and special fuel sales tax deductions (referred to generally as the Motor Fuel Sales tax deduction) on the entire amount.

The Motor Fuel Sales tax deduction only applies to fuel sold for on-highway use, not for off-highway use as was the case with Taxpayer. On these grounds, Audit disallowed the tax deductions, and assessed retail sales tax on the fuel sales, notwithstanding Taxpayer's claim that it had already paid fuel tax to the fuel vendor when making its original purchases.

Taxpayer also pulled some of the fuel out of its inventory for its own consumption off-highway, but did not pay use tax on the fuel, so use tax was assessed on that fuel as well.

Taxpayer contends that because it allegedly paid fuel tax on its purchases of the fuel, the assessed sales tax and use tax should be removed from the assessment. Taxpayer provided examples of fuel purchase invoices that it contends show that it paid fuel tax at the correct rate on its original purchases from its fuel vendor (*see* Taxpayer Petition Exhibit A).

Audit asserts that the law requires it to impose the use tax and retail sales tax under the facts of the audit, and that to the extent Taxpayer paid fuel tax on fuel that it resold for off-highway use or used itself, and seeks a refund on that basis, it must seek that refund from the Washington Department of Licensing. Audit states that it does not know if Taxpayer paid all of the fuel tax but asserts that it is not in the Department of Revenue's purview to review fuel tax transactions.

Taxpayer argues, alternatively, that if use tax is found to be due on the fuel it used, the Department substantially overstated its fuel consumption for the 2014 tax period. When calculating the use tax, the Department used actual consumption figures, in gallons, for the periods from 2015 through 2017. However, Taxpayer did not provide records for 2014, so Audit used estimated figures for 2014 using a ratio based on Taxpayer's reported use for the other periods in the audit.

. . .

Rental of ground service equipment

The Department assessed retail sales tax on Taxpayer's rental of certain airport ground service equipment. Taxpayer does not dispute that the rental sales were retail sales, but asserts that it correctly collected and remitted the tax on the disputed transactions. Taxpayer asserts that this was not taken into consideration in the audit. Taxpayer provided a schedule of all rental transactions

[3] "Motor vehicle fuel" means gasoline or any other inflammable gas or liquid the chief use of which is as fuel for the propulsion of motor vehicles." WAC 458-20-126(2); *see also* RCW 82.38.010(22). "Special fuel" means "all combustible gases and liquids suitable for the generation of power for propulsion of motor vehicles," except motor vehicle fuel. WAC 458-20-126(2); *see also* RCW 82.38.010(29). ["Fuel" means "motor vehicle fuel or special fuel." RCW 82.38.020(14).] We will use the general term "fuel" in our discussion.

for the years 2014 through 2016 and asserts that the records show it charged retail sales tax at a rate of . . . % on all transactions (*see* Taxpayer's petition, Exhibit B).

In its response to the petition, Audit states that although Taxpayer's documents show that retail sales tax was charged on rental sales for tax years 2014 through 2016, Taxpayer has not provided proof that it actually reported and paid all tax due to the Department. In addition, while Taxpayer's records showed monthly revenue income for the periods from January through June 2017, no sales tax was reported for March through June 2017.

Audit states that during the audit, Taxpayer provided certain monthly summaries that showed the amount of retail sales, that when tied back to the related returns, demonstrated that the rental revenue was not reported under the retailing B&O tax [classification] and retail sales tax [was not paid]. Instead, Taxpayer's records showed that it erroneously reported the rental income under the service and other activities B&O tax classification, and did not report the corresponding sales tax.

Audit found the amount of retail sales tax due by reclassifying the rental income as retail sales income, and calculating the total amount of tax that would be due on all combined retail sales, based on the sales tax rate of . . . % for Taxpayer's location. Audit then subtracted the amount of retail sales tax Taxpayer had already reported and remitted on its excise tax returns, and assessed the remainder. Thus, Taxpayer was given credit for all sales tax it reported and paid.

Retail sales tax: refueling services provided in conjunction with retail sales of jet fuel

During the Audit Period, Taxpayer provided aircraft refueling services to certain airlines. A majority of the jet fuel used to refuel the airplanes was owned by airlines, who purchased the fuel from a third party. Taxpayer recorded its service income under "Account #130 – Into-Plane Business" (Account 130), and correctly reported the income under the service & other activities B&O tax classification.

Taxpayer also made retail sales of jet fuel and provided related refueling services in conjunction with these sales. All of this income was reported under Taxpayer's account labeled "Account #100 – Retail sales" (Account 100). The account summary noted some activity as refueling services. Although Taxpayer provided monthly sums of revenue accounts, Taxpayer did not provide original invoices and other detailed information for the transactions in Account 100. As a result, Audit indicates that it was unable to discern whether the fuel sales and related refueling services were actually billed together in one sum or were separately stated on the invoices.

Audit determined that the refueling services provided in conjunction with the jet fuel sales should be taxable as part of the sale price for the jet fuel, on the grounds that the retail sale of jet fuel was the predominant activity. Audit had compared refueling services income to the fuel sales listed in Account No. 100, and estimated that refueling services were approximately 6.7% of the amount of the fuel sales. All estimated refueling service income related to the jet fuel sales in Account No. 100 was reclassified as retail sales income, and taxed accordingly.

After filing the petition, Taxpayer stated that it could provide invoices showing that the refueling services were separately stated from the fuel sales. In email correspondence on July 28, 2020,

Taxpayer did provide 24 pages of invoices that itemized certain charges, but was unable to provide itemized invoices for any of the fuel sales and fueling services for the periods at issue here. Audit responded that even if Taxpayer provided itemized invoices, the fueling services should still be included in the retail sales price for the jet fuel sales on the same grounds applied in the audit—that is, the predominant activity was the retail sale of fuel.

ANALYSIS

RCW 82.32.070 requires that taxpayers keep and preserve, for five years, suitable records by which to determine their tax liability, and to provide those records to the Department upon request. WAC 458-20-254 (Rule 254), the Department's administrative rule that addresses recordkeeping, explains that the documents must demonstrate the amounts of gross receipts and sales, and "must be supported by original source documents or records including but not limited to all purchase invoices, sales invoices, contracts, and such other records as may be necessary to substantiate gross receipts and sales." Rule 254(3)(a)(i).

Taxpayers must similarly show "[t]he amounts of all deductions, exemptions, or credits claimed through supporting records or documentation required by statute or administrative rule, or other supporting records or documentation necessary to substantiate the deduction, exemption, or credit." Rule 254(3)(a)(ii).

1. Motor vehicle fuel tax deductions on sales of motor vehicle and special fuel.

Washington imposes a retail sales tax on all retail sales of tangible personal property, with certain exclusions. RCW 82.04.050(1); RCW 82.08.020. Washington also imposes B&O tax on retailing business activity in this state. RCW 82.04.020; RCW 82.04.250.

RCW 82.08.050(1) requires sellers to collect retail sales tax from the buyer, and to report and remit the tax to the Department. To the extent the seller fails to collect the tax, or having collected the tax, fails to report and remit it, the seller is liable for the tax, with certain exceptions not applicable here. RCW 82.08.050(3). Taxpayer does not dispute that it did not collect and remit sales tax on the disputed sales of motor vehicle fuel and special fuel.

Washington imposes a use tax "for the privilege of using within this state as a consumer any article of tangible personal property acquired by the user in any manner" on which retail sales tax legally due has not been paid. RCW 82.12.020(1) and (2). The use tax complements the retail sales tax by imposing a tax generally equal to the sales tax legally due that was not paid on items of tangible personal property, unless an exemption is available. WAC 458-20-178(2). Taxpayer does not dispute that it did not pay use tax on its use of the disputed fuel.

RCW 82.38.030 imposes a fuel tax on motor vehicle fuel and special fuel used for the propulsion of motor vehicles on the highways of the state.[4] *See* RCW 82.38.010 (statement of legislative

[4 In 2013, the Legislature consolidated the motor vehicle fuel and special fuel tax statutes into a single statutory scheme in chapter 82.38 RCW, effective July 1, 2015. Laws of 2013, ch. 225, § 501. Previously, former chapter 82.36 RCW governed taxes on motor vehicle fuel and former chapter 82.38 RCW governed taxes on special fuel. Though the statutory change became effective during the Audit Period (2014 through 2017), in this determination we reference

purpose); s*ee also* WAC 458-20-126(5) (Rule 126). (Rule 126 is the Department's administrative rule that addresses sales of motor vehicle fuel and special fuel). The fuel tax is administered by the Washington Department of Licensing (DOL). RCW 82.38.260; Rule 126(5).

Sales of fuel for off-highway use, however, including Taxpayer's sales of the fuel, are not subject to the fuel tax. RCW 82.38.010; Rule 126(2). Instead, the sales are treated as sales of tangible personal property under RCW 82.04.050(1) that are subject to retail sales tax under RCW 82.08.020 and retailing B&O tax under RCW 82.04.250. [Rule 126(2)].

Here, Taxpayer claimed certain exemptions for its fuel sales. Taxpayers generally have the burden of showing they qualify for exemptions. "Taxation is the rule and exemption is the exception." *Budget Rent–A–Car,* 81 Wn.2d 171, 174, 500 P.2d 764 (1972). "The taxpayer has the burden of establishing eligibility for an exemption." *Stroh Brewing Co. v. Dep't of Revenue*, 104 Wn. App. 235, 240, 15 P.3d 692 (2001). Thus, Taxpayer bears the burden of proving it is entitled to the exemption.

Taxpayer claimed Motor Fuel Sales tax deductions based on the exemption under RCW 82.08.0255(1)(f), which provides a retail sales tax exemption for fuel sold for on-highway use. However, the exemption does not apply to sales of fuel for off-highway use. Because all of Taxpayer's disputed sales here were for off-highway use, the exemption does not apply. RCW 82.38.010; Rule 126(2).

Similarly, RCW 82.04.4285 provides a deduction from the measure of B&O tax for "so much of the sale price of fuel as constitutes the amount of tax imposed by the state under chapter 82.38 RCW or the United States government, under 26 U.S.C., Subtitle D, chapters 31 and 32, upon the sale thereof." However, the B&O tax deduction under RCW 82.04.4285 also does not apply to fuel sold for off-highway use, as was the case here, because the fuel tax in Chapter 82.38 RCW only applies to fuels used on the highways of the state. RCW 82.38.010; Rule 126(2). Instead, the transactions are taxable under the retailing B&O tax classification. RCW 82.04.250; Rule 126(2).

Although Taxpayer claims it paid fuel tax on its purchases of the fuel, it did not collect and remit retail sales tax legally due on the sales of the fuel. Retail sales tax is due on the purchases unless an exemption applies. Similarly, although Taxpayer claims it paid fuel tax on the fuel it pulled from inventory and used itself, Taxpayer did not pay sales or use tax on that fuel, and use tax is due on the fuel unless an exemption applies.

There are several specific retail sales tax and use tax exemptions for sales of motor vehicle fuel and special fuel. As we have discussed, RCW 82.08.0255(1)(f) provides that the fuel is not taxable if it is for on-highway use and subject to fuel tax under RCW 82.38.010, but the exemption does not apply if the fuel is for off-highway use, as is the case here. The other exemptions in RCW 82.08.0255 pertain to interstate sales, sales related to public and nonprofit private transportation, and sales related to ferries, which also do not apply here. *See also* Rule 126(5).

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current fuel tax provisions within chapter 82.38 RCW because the recodification does not affect the analysis in this case.]

RCW 82.12.0256 provides similar use tax exemptions for motor vehicle fuel and special fuel, but like those in RCW 82.08.0255, they relate to interstate sales, fuel subject to fuel tax, public and nonprofit private transportation, and ferries, and do not apply here. *See also* Rule 126(5).

Because there are no sales or use tax exemptions or exclusions that would apply to the fuel transactions in dispute, we conclude that Taxpayer has not met its burden of showing that it is entitled to sales or use tax exemptions, or B&O tax deductions, under the facts here.

Because Taxpayer did not remit retail sales tax on its fuel sales, it is liable as the seller for the unpaid tax, pursuant to RCW 82.08.050(1). Also, because retail sales tax legally due was not paid on the fuel Taxpayer used in this state as a consumer, the Department is required to assess use tax on Taxpayer's use of the fuel, pursuant to RCW 82.12.020(1) and (2), and Rule 126(2). Notwithstanding Taxpayer's claim that fuel tax was paid on its purchases of fuel, the sales are subject to retail sales tax under RCW 82.08.020, and use tax under RCW 82.12.020.

However, refunds of fuel tax are available in certain cases, and are administered by the DOL. . . . Rule 126(5) addresses refunds for fuel taxes paid on fuel that is later consumed off the highway, and states in part:

> If a person purchases motor vehicle fuel or special fuel and pays the fuel taxes of [Chapter 82.38 RCW], and then consumes the fuel off the highway, the person is entitled to a refund of these taxes under the procedures of [Chapter 82.38 RCW]. However, a person receiving a refund of vehicle fuel taxes because of the off-highway consumption of the fuel in this state is subject to use tax on the value of the fuel. The department of licensing administers the fuel tax refund provisions and will deduct from the amount of a refund the amount of use tax due.

(Emphasis added.)

As Rule 126(5) indicates, if a taxpayer receives a fuel tax refund, the use of the fuel may still be subject to use tax under RCW 82.12.020.
. . .

2. Rental of ground service equipment.

Rental of ground service equipment is a taxable retail sale under RCW 82.04.050(4)(a). Taxpayer does not dispute that the disputed activity is a retail sale, but claims it has already remitted sales tax on the transactions, and that this is not accounted for in the audit.

However, as we explained in the facts section above, Taxpayer erroneously reported its rental income under the service and other activities B&O tax classification. Audit simply reclassified this as retailing income, and used Taxpayer's location code rate of . . . % to arrive at the total amount of retail sales tax that would be due on all reported gross sales, inclusive of the rental sales income erroneously reported under the wrong classification. Audit then subtracted all retail sales tax Taxpayer had already reported and paid to arrive at the net due in the assessment. Therefore,

Taxpayer was given credit for all sales tax it reported and paid during the Audit Period. Accordingly, we deny the petition as to this issue.

3. Refueling services provided in conjunction with sales of fuel.

Sales of aircraft fuel are subject to retail sales tax, pursuant to RCW 82.42.020,[5] which states:

> There is levied upon every distributor of aircraft fuel, an excise tax at the rate of eleven cents on each gallon of aircraft fuel sold, delivered, or used in this state. There must be collected from every user of aircraft fuel either the use tax imposed by RCW 82.12.020 or the retail sales tax imposed by RCW 82.08.020. The taxes imposed by this chapter must be collected and paid to the state but once in respect to any aircraft fuel.

"Aircraft fuel" is defined in RCW 82.42.010 in relevant part to mean "gasoline and any other inflammable liquid, by whatever name such liquid is known or sold, the chief use of which is as fuel for the propulsion of aircraft . . . ." RCW 82.42.010(3). There is no dispute here that such sales are generally sales of tangible personal property subject to sales tax under RCW 82.04.050(1)[6] and retailing B&O tax under RCW 82.04.020 and RCW 82.04.250, absent an exemption.[7]

RCW 82.08.020 imposes a tax on retail sales as measured by the "gross proceeds of sales," which in relevant part includes "the value proceeding or accruing from the sale of tangible personal property." [RCW 82.04.070.] RCW 82.04.290(2) imposes service and other activities B&O tax on "any business activity other than or in addition to an activity taxed explicitly under another section in [Chapter 82.04 RCW]" or RCW 82.04.290(1) or (3).

Taxpayer argues that although its fuel sales are subject to sales or use tax, its related refueling services fall under the service and other activities B&O tax classification, and therefore are not taxable as retailing activity. Audit disagrees and contends that for sales tax purposes, Taxpayer's taxable gross proceeds of sales should include both the fuel sales income and the related fueling services income, on the grounds that the primary purpose of the activity is the fuel sales.

We note that when Taxpayer provides only the refueling service, as it did in the transactions it recorded in Account 130, its activity is subject to the service and other activities B&O tax, which Taxpayer correctly reported and paid. However, when those services are provided in conjunction with a fuel sale, they are taxed differently . . . .

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[5] The DOL also administers the aircraft fuel tax.

[6] RCW 82.04.050(1)(i) provides an exclusion from retail sales tax for "[p]urchases for the purpose of resale as tangible personal property in the regular course of business without intervening use by such person, . . ." However, Taxpayer has not shown that the sales in dispute were qualifying wholesale sales under RCW 82.04.470 and WAC 458-20-102.

[7] We note that Taxpayer is not required in some instances to charge and collect sales tax on sales of fuel to airlines. WAC 458-20-175 (Rule 175) provides that because it is overly difficult to determine at the time of sale whether jet fuel will be used in interstate commerce (which would be exempt, as addressed in WAC 458-20-193), sellers are not required to collect sales tax on sales to airlines *registered with the Department*. Instead, the airlines are allowed to report and pay the use tax directly to the Department. However, the seller must maintain certain records, including a properly completed exemption certificate from the buyer (a certificate template can be found in Rule 175), original invoices, and other documents required under RCW 82.32.070 and Rule 254.

Washington law addresses how sales tax should apply to both retail and non-retail items sold for a single nonitemized price. Such transactions are treated as bundled transactions. RCW 82.08.190(1)(a) defines a "bundled transaction" as "the retail sale of two or more products . . . where: (i) [t]he products are otherwise distinct and identifiable; and (ii) [t]he products are sold for one nonitemized price." RCW 82.08.190(1)(a) (emphasis added). *See also* WAC 458-20-173.

However, RCW 82.08.190(2) states that "distinct and identifiable" does not include "(c) items in the definition of sales price in RCW 82.08.010." Here, RCW 82.08.010(1)(a)(i) includes in the retail "sales price" the total amount of consideration for which tangible personal property is sold. It states that no deduction from the total amount of consideration is allowed for "(C) charges by the seller for any services necessary to complete the sale, other than delivery and installation charges." RCW 82.08.010(1)(a)(i)(C) (emphasis added).

Here, when Taxpayer sells fuel, its refueling services are necessary to complete the sale, so the two products, the sale of fuel and related fueling services, are not "separate and distinct." Therefore, the sales are not bundled transactions under RCW 82.08.190(1).[8] Instead, under the facts here, the refueling component should be included in the gross retail sales price of the fuel, pursuant to RCW 82.08.010(1)(a)(i), and Taxpayer should collect and remit retail sales tax based on the gross amount of the sale, inclusive of the refueling service needed to complete the sale.

As we have noted, Audit came to its conclusion based on the primary purpose of the fuel sale transaction, and Taxpayer argues this amount to a "true object" test[9] or a bundled transaction analysis, which Taxpayer claims do not apply when charges are separately stated. Audit indicates that Taxpayer did not provide the original and detailed records required by RCW 82.32.070 and Rule 254 to establish that charges for refueling services were separately stated, but contends that even if Taxpayer provided such records, this would not change the amount of the assessment.

We agree, based on our analysis above, that the outcome here would not change if Taxpayer could provide invoices with separately stated charges for the sale of fuel and the refueling service provided in conjunction with that sale. However, we base our conclusion on a different premise, that is, the refueling charge is included in the gross retail sales price for the fuel purchase.[10]

Based on the foregoing, we conclude that the disputed refueling charges are subject to retail sales tax under RCW 82.08.020 and RCW 82.08.010(1)(a)(i), and retailing B&O tax under RCW 82.04.250. Accordingly, we deny the petition as to this issue.

[8] As we have noted previously, the refueling activity is only approximately 6.7% of the amount of the fuel sales, which indicates that the refueling service is only tangential to the fuel sale.

[9] The true object test focuses on the real object of the transaction sought by a taxpayer's customer, and not just the transaction's different parts. *See, for example, Qualcomm, Inc. v. Dep't of Revenue*, 171 Wn.2d 125, 137, 249 P.3d 167 (2011). Because we come to our conclusion on different grounds, we need not address the true object test here.

[10] Because we hold that the refueling charge is part of the gross retail sales price for the fuel purchase, we are not required to undertake a bundled transactions analysis and, therefore, decline to do so.

DECISION AND DISPOSITION

Taxpayer's petition is denied.

Dated this 3rd day of December 2020.