



# Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

November 18, 2013

## Tax Exemptions for Honey Beekeepers

Effective July 1, 2013, exemptions for “eligible apiarists” from business and occupation (B&O) tax, retail sales tax, and use tax for have been modified and extended to July 1, 2017. (See RCW 82.04.629, RCW 82.04.330, RCW 82.08.0204, and RCW 82.08.200.)

### Who Qualifies?

Only “eligible apiarists” qualify for this exemption. An eligible apiarist is a person who:

- Owns or keeps one of more bee colonies;
- Grows, raises, or produces honey bee products for sale at wholesale; and
- Registers their hive/colonies with the Washington State Department of Agriculture as required by RCW 15.60.021

(For more information about the Dept. of Agriculture’s hive registration program, please visit <http://agr.wa.gov/Plantsinsects/apiary/> or call (360) 902-2070)

A “bee colony” is defined as a natural group of honey bees containing 7,000 or more workers and one or more queens, housed in a man-made hive with moveable frames, and operated as a beekeeping unit.

### B&O tax exemptions

The following activities are exempt from B&O tax:

#### ***Wholesale sales of honey bee products by an eligible apiarist.***

Honey bee products are defined as:

- Queen honey bees
- Packaged honey bees
- Honey
- Pollen
- Bees Wax
- Propolis
- Other substances obtained from honey bees

This B&O tax exemption does not extend to retail sales of honey bee products. Retail sales tax also applies to retail sales of honey bee products that are nonfood products.

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### **Bee pollination services**

Income received by an eligible apiarist for providing bee pollination services to a farmer (as defined in RCW 82.04.213). The eligible apiarist must provide pollination services using bee colonies that the eligible apiarist owns or keeps.

**Important:** Income received from brokering bees remains subject to B&O tax under the Service and Other Activities classification. A broker is generally a third party who simply arranges for an apiarist to place bee colonies in a farmer's fields or orchards. The apiarist, rather than the broker, owns or keeps the colonies.

### **Sales/ Use Tax Exemptions**

Sales and use tax exemptions are provided for the following:

- - **Purchases of bees** by an eligible apiarist.  
Sellers of honey bees to eligible apiarists must report their gross sales and then take a deduction for Sales of Honey Bees to Eligible Apiarists.
- - **Purchases of feed** used by an eligible apiarist in the raising of a bee colony used to make honey products.  
Sellers of feed to eligible apiarist must report their gross sales and then take a deduction for Sales of Feed to Eligible Apiarists.

To document the exempt purchase, the eligible apiarist (buyer) must give the seller a properly completed "[Buyer's Retail Sales Tax Exemption Certificate](#)" at the time of purchase. The exemption certificate is available at <http://dor.wa.gov> under "Get a form or publication".

Sales or use tax is owed on the purchase of other items such as bee hives, hive components, extractors, protective clothing, and beekeeping equipment.

### **How to report and pay use tax**

If you are required to file a combined excise tax return, report use tax on your next return.

If you are not required to file an excise tax return, you can report use tax by completing a [Consumer Use Tax Return](#) available on the Department's website at [dor.wa.gov](http://dor.wa.gov) under "Get a form or publication."

### **For more information**

Please call the Department of Revenue at 360-705-6705.

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