



# ESSB 5814

## Listening Session for DAS Exclusion Modifications

Facilitated by Patrick Matutina

Welcome! We will begin shortly.

Please note: All attendees are muted on entry.



# Before we get started

- All attendees are **muted** upon entry and cameras are disabled.
- To provide a comment:
  - **Please raise your hand.** The raise hand feature is located under the React icon, next to React icon, or under the More... button.
  - **Type in the chat.** Please do not chat confidential tax information.
- Transcription will be enabled. Please review the Zoom notification and click OK.
- Closed captions can be turned on by clicking “CC” or “Show captions”.
- Technical issues? Chat *Kelly Maurer* for help.

# Introductions

- Welcome: Tim Jennrich, Senior Assistant Director, Tax Policy
- Facilitators:
  - Patrick Matutina, Interpretations and Technical Advice
  - Chelsea Brenegan, Interpretations and Technical Advice
- Chat moderators are:
  - Kelly Maurer, Customer Experience and Communications
  - Eileen Ansley, Customer Experience and Communications
  - Darlene Warner, Interpretations and Technical Advice

# Agenda

- Purpose of this listening session
- Overview of DAS Exclusions Modifications
- Get your feedback and input on:
  - Issues we have identified
  - Any additional issues you may have
- Wrap up and next steps

# ESSB 5814 takes effect October 1

- Rulemaking typically takes **6–9 months**, we will not be able to complete that process before the effective date.
- We will issue **interim guidance** starting in **September**.
- Permanent guidance may take the form of a rule or an Excise Tax Advisory (ETA).
- We are working as quickly as possible to support businesses in implementing the bill's provisions.

**Thank you for your patience.**

Why are we  
holding  
listening  
sessions?

- Clarify the issues that we already know about and are working on.
- Get feedback on issues we have identified so far.
- Identify additional issues.

# DAS Exclusion Modifications (1 of 2)

## ESSB 5814 eliminates several DAS exclusions and creates a new one

- Digital Automated Services (DAS) are defined under RCW 82.04.192(3) and are generally classified as “retail sales” under RCW 82.04.050(8)
- ESSB 5814 eliminated the following DAS exclusions:
  - “Primarily human effort”
  - Live presentations
  - Advertising services
  - Data processing services
- ESSB 5814 added one new DAS exclusion for “telehealth” and “telemedicine”

# DAS Exclusion Modifications (2 of 2)

**ESSB 5814 creates new exclusions for certain sales to affiliates.**

- Sales of certain services to affiliates are NOT considered to be retail sales:
  - Information technology services
  - Custom website development services
  - Investigation and security services
  - Advertising services
- Sales of certain digital products to affiliates are NOT considered to be a retail sales if the service meets one of the following criteria:
  - Involves primarily human effort
  - Live presentations
  - Advertising services
  - Data processing services



# Known Issue for DAS



Do traditional professional services (for example, legal, accounting, and lobbying) become subject to retail sales tax as DAS, if electronic tools are being used to perform these services?

# General Questions for DAS



- What issue(s) do you want to raise?
- Do you have suggestions on how the law should apply to your business activities?

## Next steps

- 1 Review the information gathered during listening sessions and incorporate in guidance.
- 2 Publish interim guidance documents as they are finalized starting in September.
- 3 Continue to actively engage with interested parties as we work to create permanent guidance.

# Thank you for attending!

## Provide more feedback



Take the survey ([link in chat](#)).



Read feedback session summaries on [ESSB 5814 webpage](#).

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