Department of Revenue
Washington State

Form 40 0027

Rental Car Tax Addendum

Tax rates effective January 1, 2026

Before completing this addendum, please read “General information” on page 3 concerning the rental car tax.

If you are **not registered** with the Department of Licensing as a rental car company, fill out section 1 only and attach this addendum to your Combined Excise Tax Return.

If you **are registered** with the Department of Licensing as a rental car company, fill out the entire form.

1 Account information

Name: Account ID:

☐ **I do not rent cars to the general public.**

If box is checked, proceed to Section 3. Be sure to add all the addendum totals and transfer the amount to the Total All Addendum line on your Combined Excise Tax Return.

2 Calculate state and county rental car tax

(Use instructions below to complete the worksheet on page 2.)

Period Year

1. Using the computation worksheet, locate the county in which you do business.
2. Under Taxable amount, enter the amount of revenue attributable to the retail rental of cars.
3. Multiply the taxable amount by the rate in the Rate column.
4. Enter this total in the Tax due column.
5. Repeat steps 1-4 for each county in which you do business.
6. Add the amounts from the Tax due columns and enter the total in the Total State and County Rental Car Tax Due box at the bottom right of this page.
7. Businesses without taxable activity in the Regional Transit Authority (RTA) district need to use the Non-RTA location codes (i.e. King County 4000). Enter the amount of gross receipts generated outside the RTA district next to the appropriate location code in the table.
8. Multiply the gross receipts generated outside the RTA district by the rate indicated immediately to the right.
9. Add all Tax Due amounts and enter in the Total State and County Rental Car Tax Due line.
10. Add all Addendum totals and transfer the amount to the Total All Addendums line on your Combined Excise Tax Return. **RTA and rental car taxes reported on the Rental Car Tax Addendum are due in addition to the retail and local taxes reported on the Combined Excise Tax Return.**
11. Be sure to add all the addendum totals and transfer the amount to the Total All Addendum line on your Combined Excise Tax Return.

3 Attach form and send to DOR

Attach the completed Rental Car Tax Addendum to the completed Combined Excise Tax Return (even if you do not owe the rental car tax).

Department of Revenue Washington State

State and County Rental Car Tax Computation Worksheet

County	Location code	Taxable amount	Rate	Tax Due
Adams	0100		.119	
Asotin	0200		.119	
Benton	0300		.119	
Chelan	0400		.119	
Clallam	0500		.119	
Clark	0600		.119	
Columbia	0700		.119	
Cowlitz	0800		.119	
Douglas	0900		.119	
Ferry	1000		.119	
Franklin	1100		.129	
Garfield	1200		.119	
Grant	1300		.119	
Grays Harbor	1400		.119	
Island	1500		.119	
Jefferson	1600		.119	
King	1700		.137	
King Non-RTA	4000		.129	
Kitsap	1800		.119	
Kittitas	1900		.129	
Klickitat	2000		.119	
Lewis	2100		.119	
Lincoln	2200		.119	
Mason	2300		.119	
Okanogan	2400		.119	
Pacific	2500		.119	
Pend Oreille	2600		.119	
Pierce	2700		.137	
Pierce Non-RTA	4100		.129	
San Juan	2800		.119	
Skagit	2900		.119	
Skammania	3000		.119	
Snohomish	3100		.127	
Snohomish Non-RTA	4200		.119	
Spokane	3200		.129	
Stevens	3300		.119	
Thurston	3400		.119	
Wahkiakum	3500		.119	
Walla Walla	3600		.119	
Whatcom	3700		.119	
Whitman	3800		.119	
Yakima	3900		.119	
				TOTAL TAX DUE

Rental Car Tax

General Information

Rental cars are exempt from motor vehicle excise tax and are subject instead to state and/or local rental car tax on retail car rentals. The 11.9% state rental car tax applies in addition to the retail sales tax. All counties are authorized to collect an additional 1% local tax on retail car rentals. However, only Franklin, King, Kittitas, Pierce, and Spokane Counties currently impose the 1% additional tax.

The Regional Transit Authority (RTA) tax is imposed at the rate of .8% on car rentals within the RTA District. This RTA tax is in addition to the RTA reported on page 1 of the excise tax return on the same retail car rental.

"Rental car" means a passenger car used solely by a rental car business for rental to others without a driver provided by the rental car business.

Rental cars must be used solely for rental to others. Cars may be moved by the rental car business for the purpose of relocation to another business site, or for the purpose of transporting to or from a maintenance or repair facility. Any other use will cause a car to be subject to motor vehicle excise tax.

"Rental car" does not include:

- A car licensed and operated as a taxicab.
- A leased car that, at the time the lease agreement is signed, is rented for a continuous period of thirty days or more.

The rental car business must register its rental cars with the Department of Licensing under one of the following methods:

1. A rental car business may register all rental cars that are offered for rental in Washington, or
2. A rental car business with in-state and out-of-state locations may register its rental cars under the International Registration Plan (IRP) and allocate registrations according to the provisions of section 1116 of the IRP.

The RTA and rental car taxes reported on the Rental Car Tax Addendum are due in addition to the retail and local taxes reported on the Combined Excise Tax Return.

The rental car taxes may be included with the state and local retail sales taxes on your customer's invoice. For example, if you are in Seattle and the combined state, local and RTA sales rate is 10.35%, and the King County rental car tax is 13.7%, the total tax charged to your customer would be 24.05% **OR** if you are in King County outside the RTA area the sales rate is 8.8%, and the King County rental car tax is 12.9%, the total tax charged to your customer would be 21.7%.

If You Need Help

If you need help completing this addendum, please contact the Department of Revenue's Telephone Information Center at 360-705-6705.

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