

Local sales tax change: City of Kalama

Transportation Benefit District

Car Dealers and Leasing Companies

Effective April 1, 2026, local sales and use tax within the City of Kalama, located in Cowlitz County, will increase one-tenth of one percent (.001). The tax will be used for transportation services.

Businesses must collect the appropriate new rate of sales tax for retail sales and services. Persons or businesses will be subject to the new rate of use tax on items purchased for their personal or business use if sales tax has not been paid.

Special reporting instructions for sales or leases of motor vehicles

Businesses that report sales or leases of motor vehicles (for up to the first 36 months of the lease) will need to report using the following location codes and tax rates. After the first 36 months of motor vehicle leases, the original city code should be used.

New rate information

Location	Location code	Local sales tax rate	State sales tax rate	Total sales tax rate
Kalama MVET	0862	.0160	.0650	.0810

Reporting instructions for retail sales

Businesses that report retail sales (other than sales or leases of motor vehicles) will need to report using the following:

Location	Location code	Local sales tax rate	State sales tax rate	Total sales tax rate
Kalama	0802	.0170	.0650	.0820

Example

Below is an example of how to report local retail sales tax on your excise tax return assuming sales of motor vehicles total \$50,000 and repairs total \$10,000 in the City of Kalama.

Location code	Taxable amount	Local rate	Tax due	Example notes
0862	\$50,000	.0160	\$800	Represents only motor vehicle sales.
0802	\$10,000	.0170	\$170	New sales tax applies i.e. service and parts.
Total Taxable	\$60,000	Total	\$970	

Tax classification	Taxable amount	Rate	Tax due
Motor vehicle sales/leases	\$50,000	.005	\$250

The five-tenths of one percent (.005) Motor Vehicle Sales/Lease applies to the sale, lease, or rental of motor vehicles.

To determine the proper codes and rates of local sales tax, use our Tax Rate Lookup Tool located at dor.wa.gov/TaxRateLookup.

This notice is being sent to businesses that have reported local sales or use tax to any of the above location(s) within the last two years.

Questions

If you have questions, call 360-705-6705. For more information on sales tax rate changes, visit our website at dor.wa.gov/local-sales-and-use-tax.

Accessibility and alternate formats

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