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## State prevails in Avnet dropped-shipment tax case

**OLYMPIA** – Nov. 23, 2016 – The Washington State Department of Revenue issued the following statement after prevailing in a tax case decided today by the state Supreme Court ([decision linked here](#)):

“We are pleased the Court agreed with the Department’s position that Avnet’s sale of products into Washington is subject to the wholesaling business and occupation tax. The company had argued that \$80 million in sales of electronic equipment and similar products shipped into the state and received by the person designated to receive the products were not taxable.

The Court disagreed and said Avnet did not disassociate the sales in question from its nexus-generating activities, nor did the company qualify for exemption or exclusion under former WAC 458-20-193, as the company claimed.

The decision supports our position that out-of-state companies that establish themselves in the state’s marketplace are subject to Washington’s tax laws on their Washington-destination sales.”

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### About Revenue

The Department of Revenue is Washington state’s primary tax administration agency, nationally recognized for innovation and service quality. Revenue collected \$22.4 billion in tax revenues in Fiscal Year 2015. These funds support education, social services, health care, corrections, public safety, natural resources conservation and other public services.