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Revenue statement: U.S. Supreme Court affirms state position in Dot Foods

OLYMPIA – May 23, 2017 – The Department of Revenue today issued the following statement after the U.S. Supreme Court denied a writ of certiorari petition, letting stand 2010 legislation that retroactively applied a particular state tax policy:

“We are pleased the Court denied Dot Foods’ legal challenge. This action affirms the right for state legislatures and Congress to selectively use retroactivity to correct or avoid unintended consequences of a court decision.

“In this instance, the state Supreme Court in 2009 issued a decision that would have led to a large, unintended loss of state revenue by applying a Business and Occupation tax exemption for direct marketing businesses, such as Avon and Amway, that do not sell goods in permanent retail establishments to apply to many out-of-state businesses whose goods are eventually sold in such places. The Legislature acted in 2010 to address the court’s decision, correcting the statute retroactively to preserve funding for critical state services.”

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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 2016. These funds support education, social services, health care, corrections, public safety, natural resources conservation and other public services.