



LOCAL SALES TAX CHANGE

Whatcom County Public Safety Tax Car Dealers and Leasing Companies Effective April 1, 2006

Effective April 1, 2006, local sales and use tax within all of Whatcom County will increase one-tenth of one percent (.001). The tax will be used for criminal justice and public safety purposes.

The retail sale or use of motor vehicles, and the lease of motor vehicles for up to the first thirty-six months of the lease, **are exempt from the public safety tax imposed**. After the first thirty-six months of motor vehicle leases the public safety tax would apply and the original city/county code would be used.

How to Report:

Sales and leases of motor vehicles must be separated from other retail sales. The Public Safety Tax creates two sales tax rates for each location in Whatcom County which creates a need for an additional series of location codes.

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 codes and tax rates:

LOCATION	LOCATION CODE NUMBER	LOCAL SALES TAX RATE	STATE SALES TAX RATE	TOTAL SALES TAX RATE
Unincorporated Areas	3700	.013	.065	.078
Unincorporated P.T.B.A.	3737	.019	.065	.084
Bellingham	3701	.019	.065	.084
Blaine	3702	.019	.065	.084
Everson	3703	.019	.065	.084
Ferndale	3704	.019	.065	.084
Lynden	3705	.019	.065	.084
Nooksack	3706	.019	.065	.084
Sumas	3707	.019	.065	.084

(more)

Special Reporting Instructions for Sales or Leases of Motor Vehicles:

Businesses that report sales or leases of motor vehicles (for up to the first thirty-six months of the lease) will need to report using the following location codes and tax rates:

LOCATION	LOCATION CODE NUMBER	LOCAL SALES TAX RATE	STATE SALES TAX RATE	TOTAL SALES TAX RATE
Unincorporated Areas	3750	.012	.065	.077
Unincorporated P.T.B.A.	3787	.018	.065	.083
Bellingham	3751	.018	.065	.083
Blaine	3752	.018	.065	.083
Everson	3753	.018	.065	.083
Ferndale	3754	.018	.065	.083
Lynden	3755	.018	.065	.083
Nooksack	3756	.018	.065	.083
Sumas	3757	.018	.065	.083

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 Bellingham.

Location Code	Taxable Amount	Local Rate	Tax Due City or Co.
3701	10,000 00	.019	190 00
3751	50,000 00	.018	900 00
TOTAL TAXABLE	60,000 00	TOTAL	1090 00

New sales tax applies i.e. service and parts.

Represents only motor vehicle sales/leases.

Tax Classification	Taxable Amount	Rate	Tax Due
Motor Vehicle Sales/Leases (eff. 7/1/03)	50,000 00	.003	150 00

Note: The three-tenths of one percent (.003) Motor Vehicle Sales/Lease Tax that was implemented July 1, 2003 still applies to the sale, lease, or rental of motor vehicles.

If you have questions, or if Sales Tax Collection Schedules are needed, please go to our web site at <http://dor.wa.gov> or call the Department of Revenue at 1-800-647-7706.

State of Washington
 Taxpayer Account Administration
 PO Box 47476
 Olympia WA 98504-7476

Phone: 1-800-647-7706

For tax assistance, visit <http://dor.wa.gov> or call 1-800-647-7706. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users please call 1-800-451-7985.