



Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

JULY 2017

Bottled water subject to sales tax

Sales of bottled water are subject to sales or use tax effective August 1, 2017.

What is bottled water?

Bottled water is water sold in a safety-sealed container or package and that is calorie free and does not contain sweeteners.

Bottled water includes water that is delivered to the buyer in a reusable, safety-sealed container.

Bottled water does not include ice or water that is dispensed from a self-service dispenser.

For other beverages, see our Special Notice: [How to tax soft drinks and other beverages](#).

SNAP (food stamp) program

Sellers do not need to collect sales tax if a buyer is purchasing bottled water under the Supplemental Nutrition Assistance Program (SNAP), formerly known as the food stamp program.

Bottled water sold at stores

Sellers of bottled water must collect sales tax except when the bottled water is purchased under the SNAP (food stamp) program.

Bottled water delivery service

There are two sales tax exemptions that could apply when bottled water is delivered:

- No source of potable water
If a person does not have water safe for human consumption, they are eligible for an exemption from the sales tax.
- Prescription for bottled water
Sales tax is not due on sales of bottled water when the buyer has a prescription for bottled water.

In the above two exemptions, the seller can accept from the buyer either a [Buyer's Retail Sales Tax Exemption Certificate](#) or a [Streamlined Sales Tax \(SST\) Exemption Certificate](#) to document the exempt transaction. Sellers should report these exemptions on their tax returns by taking a deduction on the Retail Sales Tax line of the return, using the "Other" deduction and noting it is for "exempt bottled water."

Buyer refunds

Although buyers are required to pay sales tax on bottled water purchased at stores (except SNAP purchases), they can qualify for a refund of sales tax if they have:

- No source of potable water
- A prescription for bottled water

Buyers may request a refund from the Department of Revenue if:

- The total amount of sales tax paid for exempt bottled water is at least \$25 (this may include separate purchases).
- They provide copies of receipts that show the sales tax paid.
- They submit the refund request within four years of the end of the year in which the tax was paid.

See [Bottled water - Requesting a sales tax refund for exempt purchases](#) on our website.

Questions?

Call 1-800-647-7706 or send an email to dorcommunications@dor.wa.gov