



Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

September 21, 2017

The Solar Systems Sales and Use Tax Exemptions Expire Sept. 30

The exemptions and refund program for buyers of qualified solar energy systems capable of generating 500 kilowatts, or less, ends September 30.

The expiration of the exemption and refund also applies to charges for labor and installation of qualified machinery and equipment.

See RCW [82.08.962](#), [82.12.962](#), [82.08.963](#), [82.12.963](#) and [Engrossed Substitute Senate Bill 5939, Sections 14 - 17 \(Chapter 36, Laws of 2017\)](#).

How can a solar system qualify for the machinery and equipment exemption or refund?

The buyer must receive the machinery and equipment from the seller by September 30.

How can a solar system qualify for the labor and service charges exemption or refund?

The machinery and equipment must be installed by September 30.

What if I invoice the customer now, but deliver the machinery and equipment or install it after September 30?

Eligibility for the programs is not based on the invoice date or payment date—it is based on when the machinery and equipment was received by the buyer and installed. Machinery and equipment received by the buyer after the deadline are subject to sales tax at the point-of-sale and will not qualify for a refund. Installation labor and services performed after the end of September, are also subject to sales tax and do not qualify for the exemption or refund program.

Do sellers have any special recordkeeping requirements?

Sellers must keep documents that reflect the actual delivery date of qualified machinery and equipment and the date labor and services were rendered to the buyer, in case eligibility for the exemption or refund must be substantiated. Proper

records may include a bill of lading, shipping records, truck logs, or employee records indicating location of work.

What sales are still eligible for the exemption or refund after September 30?

Solar systems capable of generating more than 500 kilowatts of electricity and other qualified renewable energy systems (wind, anaerobic digestion, biomass, etc.) capable of generating 1 kilowatt or more of electricity are still eligible for a 75 percent refund of the sales tax paid until January 1, 2020.

Thermal heat systems using solar energy and labor charges to install such systems are still eligible for the 100 percent exemption from sales and use tax through June 30, 2018.

Questions?

Please contact us if you have questions about the renewable energy sales tax exemptions at (360) 705-6218 or <https://dor.wa.gov/Rulings>.