

Special Notice

Intended audience: People who buy, sell, or install solar systems

Updated June 2018

Solar systems sales and use tax exemptions expired Sept. 30, 2017

If you buy or sell qualified solar energy systems capable of generating 500 kilowatts, or less, the exemptions and refund program you can use ended Sept. 30, 2017.

The exemptions and refund program also expired on your payments for labor and installation of qualified machinery and equipment.

Buyer information

To qualify for the exemption, you must have:

- received the machinery and equipment from the seller by Sept. 30, 2017, **and**
- had the machinery and equipment installed by Sept. 30, 2017.

Seller information

What if I invoiced the customer now, but delivered the machinery and equipment or installed it after Sept. 30, 2017?

To be eligible for these programs, the buyer must have received the machinery and equipment and had it installed on or before Sept. 30, 2017. If the buyer received machinery and equipment after the deadline, the buyer must pay sales tax at the point-of-sale and does not qualify for a refund. The buyer must also pay sales tax for installation labor and services performed after the deadline, and they do not qualify for the refund program. The law does not base program eligibility on the invoice date or payment date.

Do I have any special record-keeping requirements?

You must keep documents that show the actual delivery date of the machinery and equipment and the date you installed the equipment. You need to do this in case we ask you for documentation. Proper records may include a bill of lading, shipping records, truck logs, or employee records indicating location of work.

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Are any sales still eligible for the exemption or refund after Sept. 30, 2017?

The following systems are eligible for a 75 percent sales tax refund until Jan. 1, 2020:

- solar systems capable of generating more than 500 kilowatts of electricity
- other qualified renewable energy systems (wind, biomass, etc.) capable of generating 1 kilowatt or more of electricity

Thermal heat systems that use solar energy and charges you pay for labor are still eligible for the 100 percent sales and use tax exemption through June 30, 2018.

For more information

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

Questions?

Please contact us at (360) 705-6218 or <https://dor.wa.gov/Rulings>.

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