

(A) To qualify for this deduction sellers must take a certificate signed by the buyer or the buyer's agent stating: The name of the vessel for which the fuel is purchased; that the vessel is primarily used in foreign commerce; and, the amount of fuel purchased which will be consumed outside of the territorial waters of the United States. Sellers must exercise good faith in accepting such certificates and are required to add their own signed statement to the certificate to the effect that to best of their knowledge the information contained in the certificate is correct.

(B) The following is an acceptable certificate for

Foreign Fuel Exemption Certificate

SELLER:..... VESSEL:.....
WE HEREBY CERTIFY that this purchase of (kind and amount of product) from (seller) will be consumed as fuel outside the territorial waters of the United States by the above-named vessel. We further certify that said vessel is used primarily in foreign commerce and that none of the fuel purchased will be consumed within the territorial boundaries of the State of Washington.
DATED.....,((+9))
20... Purchaser's Name.....
.....
Purchaser's Address.....
By:.....
.....
Title Office.....

(C) When a seller takes a completed certification such as this ((is taken)) in good faith ((by the seller)), the sale is exempt ((of business and occupation tax)) from the B&O tax, whether made at wholesale or retail, and even though the fuel is delivered to the buyer in this state.

(5) **Business and occupation tax. Extracting((7)) and manufacturing.** Persons engaged in (these) extracting or manufacturing activities in Washington (and) transfer or make delivery of articles produced or processed outside the state are subject to ((business)) the B&O tax under the extracting or manufacturing classification and are not subject to ((business)) the B&O tax under the retailing or wholesaling classification. See also WAC 458-20-135 and 458-20-136. The activities tax occurs entirely within the state, are inherently local and are conducted prior to the commercial journey. The tax is measured by the value of products as determined by the selling price. See WAC 458-20-112. It is immaterial that the value so determined includes an additional increment of value because the sale occurs outside the state.

(6) **Retail sales tax.** The same principles apply to the retail sales tax as are set forth for the business and occupation tax ((above)) described in subsections (4) and (5) of this rule, except that certain statutory exemptions may apply. (See WAC 458-20-174, 458-20-175, 458-20-176, 458-20-177, 458-20-238 and 458-20-239.)

(7) **Use tax.** The use tax is imposed upon the use, including storage, of all tangible personal property acquired for any use or consumption in this state unless specifically exempt by statute.