

Digital Products and Remote Access Software Exemption Certificate

This certificate allows the buyer to make tax exempt purchases using the exemptions checked below. This certificate cannot be used for purchases for personal use.

Exemptions claimed

Check all that apply (see page 2 for exemption descriptions):

- Purchased to be made available free of charge to the general public. (Only available for digital goods, digital automated services, digital codes, or remote access software).
- Digital goods purchased solely for a business purpose. (Only available for digital goods. Please see page 2 for more information).
- Purchased for concurrent use by the buyer in and out of Washington State. Buyer must report use tax for in-state use. (Only available for digital goods, digital automated services, digital codes, remote access software, or prewritten software)
- Purchases of standard financial information by qualifying international investment management companies.

Purchases for resale or purchases of components

- Purchased digital goods, digital automated services, digital codes, prewritten software or remote access software to be resold in the regular course of business without intervening use. For purchases made after December 31, 2009, you must enter your reseller permit number: _____
- Purchased for use as a component of a new product for sale. (Only available for digital goods, digital automated services, digital codes, or remote access software). For purchases made after December 31, 2009, you must enter your reseller permit number: _____

Seller's/Marketplace facilitator's information

Business Name: _____

Buyer's information

Business Name: _____ Account ID: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone Number: _____ Email Address: _____

Type of Business: _____

- I certify that the purchase(s) I am making qualify as indicated above. I understand that misuse of this certificate will result in taxes due, interest, possible penalties, and including, if applicable, the 50 percent penalty of the tax due for misuse of the reseller permit. Misuse may also result in the reseller permit being revoked.

Print name of person authorized by the buyer to sign the exemption certificate.

Signature of authorized buyer.

Date

This certificate is valid for as long as the buyer and seller have at least one sales transaction within twelve consecutive months. RCW 82.08.050 (7) (c).

Reminder to Sellers/Marketplace facilitators: As of July 26, 2009, sellers/marketplace facilitators of digital products or remote access software must file the state excise tax return electronically. Go to dor.wa.gov to file online.

Seller/Marketplace facilitator must keep a copy of this certificate. Please do not send to the Department of Revenue.

Exemption Information

General information

Sales of digital products are subject to sales tax. Digital products are digital goods or digital automated services. Examples of digital goods include music and movies that are transferred electronically, regardless of whether downloaded, streamed or otherwise accessed.

Sales tax also applies to prewritten computer software and remote access software.

Certain goods or services are not considered “digital products” even though they may be transferred electronically. For example, services performed primarily as a result of human effort in response to a customer’s request are not a digital product even if transferred electronically. Other examples include internet access, telecommunication services, online advertising, data processing services, and payment processing services. For more information about digital products please see

<http://dor.wa.gov/digitalproducts>.

Exemptions

Purchases for the following purposes are not subject to sales tax when the buyer provides a valid exemption certificate:

- **Purchased to be made available free of charge to the general public:** A business must be purchasing digital products, digital codes, and remote access software to make available free of charge for the general public to use or enjoy. “General public” generally means every individual and not a limited or restricted class of individuals, except that general public also includes: all individuals residing or owning property in a state, political subdivision of a state, or a municipal corporation; a group of individuals identified by minimal restrictions that any person can meet, such as a free registration requirement; and library patrons.
- **Digital goods purchased solely for a business purpose:** “Business purpose” means the digital goods are relevant to the buyer’s business needs. This exemption does not apply to purchases for personal or household purposes or for any activity conducted by a government entity. This exemption also does not apply to purchases of digital automated services, prewritten software, or remote access software.
- **Purchased for concurrent use by the buyer in and out of Washington State:** A business may purchase digital products, digital codes, prewritten computer software, or remote access software for concurrent use by its employees located inside and outside the state. A business claiming this exemption must report and pay use tax on that portion of the digital products, digital code, prewritten software, or remote access software used in Washington. The taxable amount is determined by the number of users in this state compared to users everywhere. Generally, digital products and remote access software are used in Washington when the buyer first accesses, downloads, possesses, opens, stores, enjoys, or receives the benefit of the service in this state. A buyer may not claim a multiple points of use exemption for personal use. For information on reporting and paying use tax, visit us online at <http://dor.wa.gov/content/FindTaxesAndRates/UseTax/>
- **Purchases of standard financial information by qualifying international investment management companies:** Applies to the purchase and use of standard financial information by a qualifying international investment management company. The bill provides definitions for both “standard financial information” and “qualifying international investment management company” and limits the amount of qualifying purchases to \$15 million dollars in a calendar year. The standard information may be provided in a tangible format (e.g. paper document), on a tangible media (e.g. DVD, USB drive, etc.) or as a digital product transferred electronically. Reference: Engrossed Substitute Senate Bill (ESSB) 5882 Part VII (Chapter 13 Laws of 2013)

Purchases for resale or purchases of components

Sales tax does not apply to purchases for resale of digital products, digital codes, prewritten software, and remote access software. Sales tax does not apply to purchases of digital products, digital codes, or remote access software for use as a component of a new product for sale. “New product” means a digital product, an article of tangible personal property, or remote access software. The buyer must give the seller/marketplace facilitator a copy of their reseller permit or other valid exemption certificate when the sale occurs. The seller/marketplace facilitator must keep a copy in their records for five years. Sales tax applies unless the buyer provides this exemption certificate or a reseller permit.

As of January 1, 2010, the reseller permit replaced the resale certificate. You may apply for a reseller permit from the Department or find more information at dor.wa.gov.

For tax assistance or to inquire about the availability of this document in an alternate format, please call 360-705-6705. Teletype (TTY) users may use the Washington Relay Service by calling 711.