



Washington State Business Taxes

September 23, 2023

Jessica Smith, Tax Information Specialist



Workshop Agenda

- Excise Taxes.
- Filing Excise Tax Returns.
- Personal Property Tax.
- Unclaimed Property.
- Resources.

Tax Types



Business Records



- Keep for five years:
 - Income records.
 - Deduction documentation.
 - Purchase invoices.

Business & Occupation Tax (B&O)

- Tax for act of engaging in business
- Measured by gross income or gross proceeds of sales
- More than 50 classifications
- Range of rates (0.13% - 2.95%)



Taxable Amount



- Gross selling price.
- Includes shipping, delivery, and installation charges.
- No deductions for cost of sales or labor.

Retailing B&O

- Includes all sales to consumers of:
 - Goods.
 - Services.
 - Digital products.
- Examples:
 - Custom construction.
 - Lawn maintenance.
 - Athletic or fitness facility charges.




Wholesaling B&O



- Sales of goods or services to others who resell those goods or services.
- Buyer must provide reseller permit.

Reseller Permit

- Used for purchasing goods or services for resale.
- Wholesalers keep copy on file.
- Buyers provide to sellers.
- Application is free.
- Permits valid for 2-4 years.

 **RESELLER PERMIT**
Washington State Department of Revenue
PO Box 47476 - Olympia, WA 98504-7476 - 1-800-647-7706

STATE OF WASHINGTON

603 603 603 Permit Number: A00 0000 00

Business Name Effective Date: 01-05-2016
Address Expiration Date: 01-04-2018

Business Activities:
Your business activity

This permit can be used to purchase:

- Merchandise and inventory for resale without intervening use
- Ingredients, components, or chemicals used in processing new articles of tangible personal property produced for sale
- Feed, seed, seedlings, fertilizer, and spray materials by a farmer
- Materials and contract labor for retail/wholesale construction
- Items for dual purposes (see Purchases for Dual Purposes on back)

This permit cannot be used to purchase:

- Items for personal or household use
- Promotional items or gifts
- Items used in your business that are not resold, such as office supplies, equipment, tools, and equipment rentals
- Materials and contract labor for public road construction or U.S. government contracting (see Definitions on back)
- Materials and contract labor for speculative building

This permit is no longer valid if the business is closed.

The business named on this permit acknowledges:

- It is solely responsible for all purchases made under this permit
- Misuse of the permit:
 - Subjects the business to a penalty of 50 percent of the tax due, in addition to the tax, interest, and penalties imposed (RCW 82.32.291)
 - May result in this permit being revoked

Notes (optional): _____

Important: The Department of Revenue may use information from sellers to verify all purchases made with this permit were qualified.

Manufacturing B&O



- Creating a new, different, or more useful product.
- Gross income reported under production and selling taxes.
 - Multiple Activities Tax Credit applies to goods manufactured and sold in Washington.

Service and Other Activities B&O

- Personal and professional services not otherwise classified.
- Two rates based on previous year's income.
- Examples:
 - Consulting.
 - Doctors.
 - Beauticians.



B&O Deductions and Credits



- Deductions:
 - Casual sales.
 - Interstate & foreign sales.
 - Returns & allowances.
- Small Business Credit.

Public Utility Tax

- Public and privately owned:
 - Water.
 - Sewer.
 - Electricity.
- Hauling for hire:
 - Urban transportation.
 - Motor transportation.
- Deductions.



Collecting Retail Sales Tax



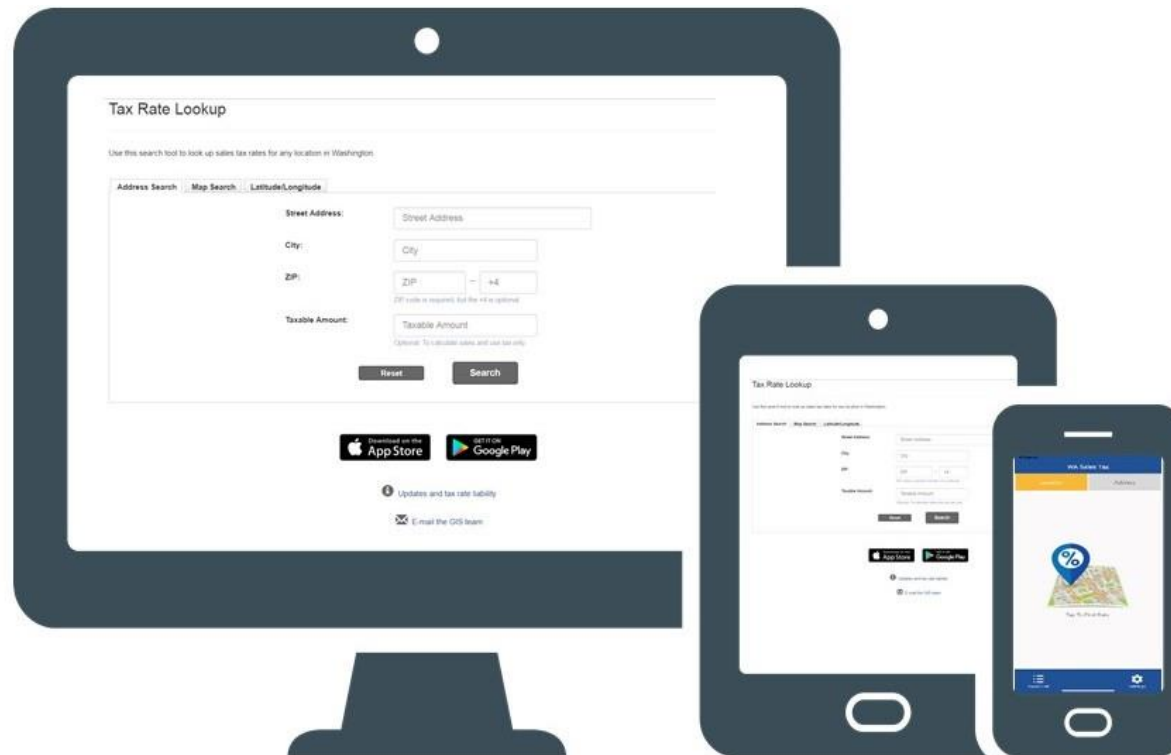
- Tax on sale, rental, or installation of tangible personal property.
- Includes charges for delivery and installation.
- Collected by the seller and held in trust for the state.

Sales Tax Rates

- Tangible personal property: where the buyer receives the goods.
- Labor, installation, and construction: where the labor takes place.
- Rentals of goods: rental store for first payment, where item is used for all subsequent payments.



Tax Rate Lookup Tool



- Find the sales tax rate for any location in Washington.
- Mobile app.
- Formats available online:
 - Address lookup.
 - Map lookup.
 - Longitude and latitude.

Retail Sales Tax Deductions

- Interstate and foreign sales.
- Gross sales tax collected by facilitator.
- Sales to US government.
- Taxable amount for tax paid at source.



Paying Retail Sales Tax



- Any items you purchase that you do not resell.
- You may not use your reseller permit.
- Examples:
 - Capital assets.
 - Office supplies.

Use Tax

- Companion to retail sales tax.
- Due when sales tax was not paid.
- Reported on your excise tax returns.
- Value includes delivery and installation costs.
- Rates same as retail sales tax rates.
- Examples:
 - Digital products.
 - Online purchases.



Litter Tax



Paid by manufacturers, wholesalers, and retailers of:

- Food for humans and pets.
- Cigarettes and tobacco products.
- Soft drinks, beer, and wine.
- Newspapers and magazines.
- Household paper products.
- Glass, metal, and plastic containers.
- Cleaning agents and toiletries.
- Non-drug drugstore sundry items.

Tax Return Due Dates

- Monthly returns: 25th of the month following the filing period.
- Quarterly returns: last day of the month following the filing period.
- Annual returns: April 15th of the following year.
- Next business day if due date falls on weekend or holiday.

April						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15 Annual	16	17	18	19	20
21	22	23	24	25 Monthly	26	27
28	29	30 Qtrly				

Online Filing – My DOR

Business Licensing and Tax My DOR Servi : R

Jul-01-2020 ?

< BARKER, BOB

UBI: 604-072-663 Name: BARKER, BOB

Account ID: 604-072-663 Address: 6400 LINDERSON WAY SW TUMWATER WA 98501-6516

Filing Period: 5/31/2020 Due Date: 6/25/2020

Excise Return

Select Taxes
 Business & Occupation

Add/Delete Tax Classifications

	Gross Amount		Taxable Amount	Tax Rate	Tax Due
Retailing	0.00	Add Deduction	0.00	0.004710	0.00

Business & Occupation

Add/Delete Credits

Small Business Credit 0.00

- Required for monthly and quarterly filers.
- Calculates tax due and flags potential errors.
- Payment by electronic funds transfer or credit card.

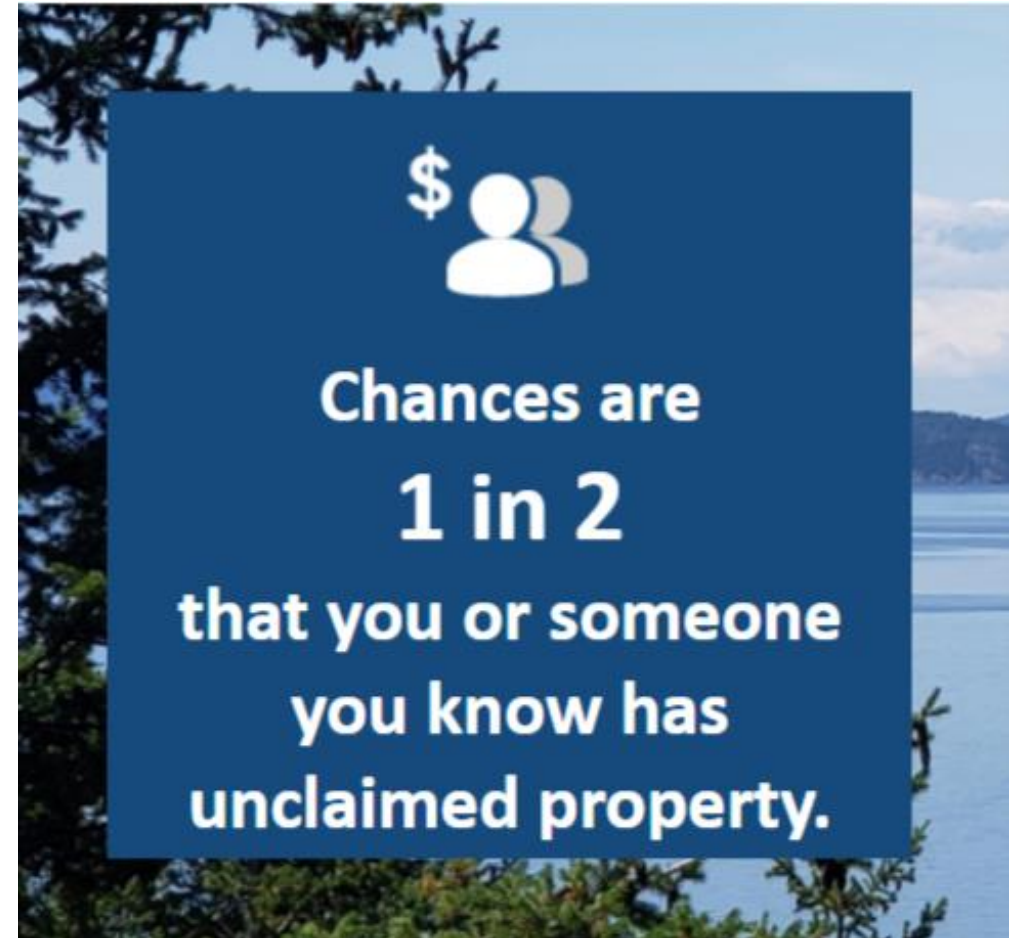
Personal Property Tax



- Administered by your county assessor.
- List all assets as of Jan. 1 of each year.
- File asset listing by Apr. 30 of each year.
- Tax paid the following year.

Unclaimed Property

- Property in your possession that belongs to someone else.
- Examples:
 - Uncashed payroll checks.
 - Deposits.
 - Account credits.
- Report by Oct. 31 each year.



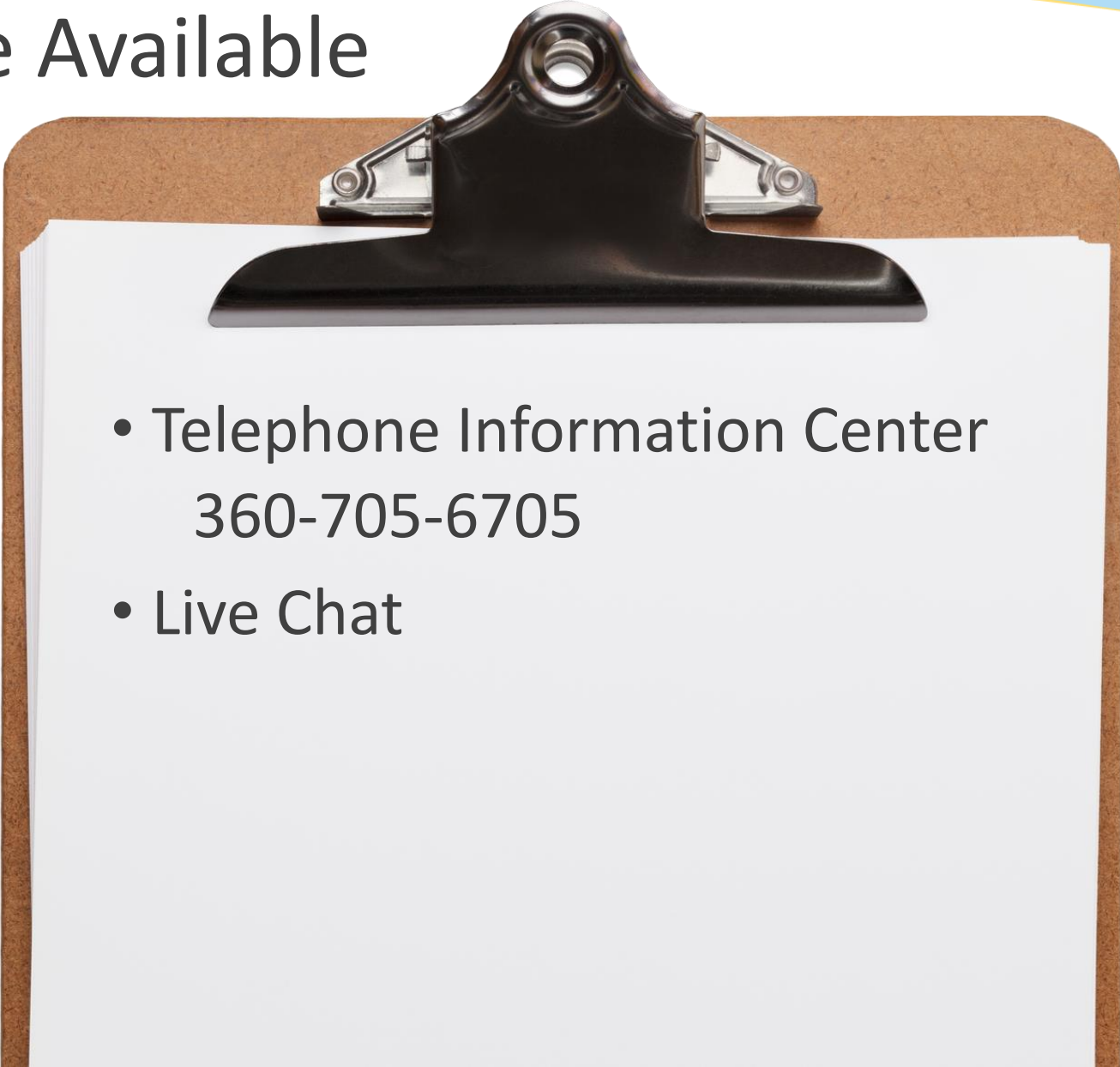
Website Resources

The screenshot shows the homepage of the Washington State Department of Revenue. At the top left is the logo. To the right are navigation links: "Laws & rules", "Careers", "Contact", "About", and a yellow "Log in" button. Below these is a search bar with the text "Search dor.wa.gov" and a magnifying glass icon. A dark blue navigation bar contains the following menu items: "Home", "Open a business", "Manage a business", "Taxes & rates", "File & pay taxes", "Education", and "Forms & publications". A white dropdown menu is open over the "Open a business" link, listing: "I want to...", "Get or renew a license", "File taxes online", "Find a sales and use tax rate", "Look up a business", and "Learn about reseller permits". Below the navigation bar is a large banner image of a snowy mountain range. Two news snippets are visible: one about updates to the Business Licensing and Tax system, and another about the Voluntary Disclosure Agreement (VDA) Program expansion. At the bottom, three light blue boxes with icons represent "Businesses", "Tax professionals", and "General public".

www.dor.wa.gov

- Online chat.
- Industry guides.
- Binding tax ruling.
- Tax consultation service.
- Request a speaker.

Assistance Available

- 
- Telephone Information Center
360-705-6705
 - Live Chat

THANK YOU