

CERTIFICATE OF COMPLIANCE -- STATE OF WASHINGTON

Revised July 2009*

SECTION	TOPIC DOCUMENT COMMENTS/ REFERENCE TO CRIC INTERPRETATIONS	DESCRIPTION	Is this requirement met by law, regulation or administrative practice (Yes or No). Enter N/A when not applicable.	If so, provide the citation for legal authority (statute, case, regulation, etc.)	For SST conforming changes, provide effective dates.	Notes (e.g., administrative practices, noncompliance explanations, etc.)
Section 301	State level administration					
		Does the state provide state level administration of state and local sales and use taxes?	Yes	RCW 82.14.050		
		Are sellers only required to register with, file returns and remit funds to a state-level authority?	Yes	RCW 82.32.010, 82.32.030		
		Does the state provide for the collection of any local taxes and distribute them to the appropriate taxing jurisdictions?	Yes	RCW 82.14.050		
		Are audits conducted only by the state or by others authorized by the state to conduct an audit that includes both state and local taxes?	Yes	RCW 82.14.050		
		Are local jurisdictions prohibited from conducting independent sales or use tax audits of sellers registered under the Agreement?	Yes	RCW 82.14.050		
Section 302	State and local tax base					
		Is the tax base for local jurisdictions identical to the state tax base, excluding federal prohibitions, motor vehicles, aircraft, watercraft, modular homes, manufactured homes and mobile homes?	Yes	RCW 82.14.070		
Section 303	Seller registration					
		Is the state capable of pulling registration information from the central registration system?	Yes			
		Does the state exempt a seller without a legal obligation to register from paying registration fees?	Yes	RCW 82.32.030(4)		
		Does the state allow a seller to register on the central registration system without a signature?	Yes	RCW 82.32.030(3)		
		Does the state allow an agent to register a seller on the central registration system?	Yes	RCW 82.32.026		
Section 304	Notice for state tax changes					
	Failure to meet these does not take a state out of compliance.	A1. Does the state provide sellers with as much advance notice as practicable of a rate change?	Yes	RCW 82.08.064		

		A2. Does the state limit the effective date of a rate change to the first day of a calendar quarter?	Yes	RCW 82.08.064	
		A3. Does the state notify sellers of legislative changes in the tax base and amendments to sales and use tax rules and regulations?	Yes		Mailings, web postings, and e-mail are all used to disseminate this information.
		B. Does the state limit the relief of the sellers obligation to collect sales or use taxes for that member state if the seller failed to receive notice or the state failed to provide notice or limit the effective date of a rate change.	No		
Section 305	Local rate and boundary change				
		Does the state have local jurisdictions that levy a sales or use tax? If yes, answer the following questions.	Yes		
		A. Does the state limit the effective date of local rate changes to the first day of a calendar quarter after a minimum of 60 days notice?	Yes	RCW 82.14.055, 82.32.430	
		B. Does the state limit the effective date of local rate changes from catalog sales wherein the purchaser computed the tax based on local tax rates published in the catalog only on the first day of a calendar quarter after a minimum of 120 days notice?	Yes	RCW 82.14.055, 82.32.430	
		C. Does the state limit local boundary changes for the purposes of sales and use taxes to the first day of calendar quarter after a minimum of 60 days notice?	Yes	RCW 82.14.055, 82.32.430	
		D. Does the state provide and maintain a database with boundary changes?	Yes		The Department uses a third party GIS system as a basis for managing boundary changes. Changes are made to the database by a specific work unit that works with local jurisdictions to maintain current boundaries.
		E. Does the state provide and maintain a database identifying all jurisdictional rate information using the FIPS codes?	Yes		The Department uses proprietary jurisdiction reporting codes for identifying taxing jurisdictions. The Department identifies and maps proper tax rate and Department jurisdiction reporting codes with FIPS codes in accordance with the SSUTA and the SST Rates and Boundaries Instructional Paper.
		F1. Does the state provide and maintain a database that assigns each five digit and nine digit zip code within the member state to the proper tax rate and jurisdiction?	Yes		The Department assigns each five digit and nine digit zip code with the proper tax rate and jurisdiction in accordance with the SSUTA and the SST Rates and Boundaries Instructional Paper.
		F2. Does the state apply the lowest combined tax rate imposed in a zip code if the area in that zip code includes more than one tax rate?	Yes		Where a zip code spans more than one taxing jurisdiction, the Department applies the lowest combined tax rate in accordance with the SSUTA and the SST Rates and Boundaries Instructional Paper.

		G. Does the state provide address-based boundary database records for assigning taxing jurisdictions and their associated rates? If yes, answer the following questions.	Yes			
		1. Are the records in the same format as database records in F?	Yes			The data format for address level, 9-digit zip level, and 5-digit zip level is the same and follows the format specified in the SST Rates and Boundaries Instructional Paper.
		2. Do the records meet the requirements of the Federal Mobile Telecommunications Sourcing Act?	Yes			The records are derived from data that meets the requirements of the Federal Mobile Telecommunications Sourcing Act.
		H. If the state has met the requirements of subsection (F) and elected to certify vendor provided address-based databases for assigning tax rates and jurisdiction:	N/A			
		1. Are those databases in the same format as the database records approved pursuant to (G) of this section?	N/A			
		2. Do those databases meet the requirements of the Federal Mobil Telecommunications Sourcing Act (4 U.S.C.A. Sec. 119 (a))?	N/A			
Section 306	Relief from certain liability					
		Does the state relieve sellers and CSPs from liability to the state and its local jurisdictions for collecting the incorrect amount of tax because of reliance on state provided data on rates, boundaries, and jurisdiction assignments?	Yes	RCW 82.32.430		
Section 307	Database requirements and exceptions					
		A. Does the state provide a database per Section 305, in downloadable format?	Yes			
		If the state designates a vendor to provide the Section 305 database does the vendor's database meet the requirements of Sections 305, 306 and 307 and is provided at no cost to the user of the database?	N/A			
Section 308	State and local tax rates					
		A1. Does the state have more than one state sales and use tax rate on items of personal property or services?	No	RCW 82.02.230		The taxes imposed by RCW 82.08.150 (liquor sales taxes), 82.12.022 (use tax on gas delivered through a pipeline), and 82.18.020 (solid waste collection tax), and taxes imposed on the sale or use of motor vehicles, aircraft, watercraft, modular homes, manufactured homes, or mobile homes are excluded from the requirement of one statewide rate.
		A2. Does the state have a single additional tax rate on food and food ingredients and drugs as defined by state law pursuant to the Agreement?	No			

		B1. If the state has local jurisdictions with a sales or use tax, does any local jurisdiction have more than one sales tax rate or one use tax rate?	No	RCW 82.02.230		The taxes imposed by chapter 67.28 RCW (lodging taxes), RCW 35.21.280 (city admissions tax), 36.38.010 (county admissions tax), 36.38.040 (county parking tax), 67.40.090 (lodging tax), 82.14.360 (county food and beverage tax), and 82.80.030 (city parking tax), and taxes imposed on the sale or use of motor vehicles, aircraft, watercraft, modular homes, manufactured homes, or mobile homes are excluded from the requirement for one jurisdiction-wide rate.
		B2. If the state has local jurisdictions with a sales and use tax are the local sales and use tax rates identical?	Yes	RCW 82.02.230		

Section 310	General sourcing rules					
		A. Does the state source a retail sale, excluding lease or rental, of a product as follows:				
	CRIC INTERPRETATION ADOPTED SEPTEMBER 20, 2007	1. If received at business location of seller, then sourced to that location?	Yes	RCW 82.32.730		
		2. If not received at business location of seller, then sourced to location of receipt?	Yes	RCW 82.32.730		
		3. If subsections 1 & 2 do not apply, then sourced to address of purchaser in business records of seller that are maintained in ordinary course of seller's business?	Yes	RCW 82.32.730		
		4. If subsections 1, 2 & 3 do not apply, then sourced to address of purchaser obtained during consummation of sale, including address of purchaser's payment instrument, if no other address is available?	Yes	RCW 82.32.730		
		5. If subsections 1, 2, 3 & 4 do not apply, including the circumstance in which the seller is without sufficient information to apply the previous rules, then sourced to location from which tangible personal property was shipped, from which digital good or computer software delivered electronically was first available for transmission by seller, or from which service was provided.	Yes	RCW 82.32.730		
		B. Does the state source a lease or rental of tangible personal property as follows:				
		1. If recurring periodic payments, the first periodic payment is sourced the same as a retail sale. Subsequent payments are sourced to the primary property location for each period covered by the payment?	Yes	RCW 82.32.730		
		2. If no recurring periodic payments, then sourced in accordance with rules of retail sale?	Yes	RCW 82.32.730		
	CRIC INTERPRETATION ADOPTED APRIL 18, 2006	C. Does the state source a lease or rental of motor vehicles, trailers, semi-trailers, or aircraft that do not qualify as transportation equipment as follows:				
		1. If recurring periodic payments, then sourced to primary property location?	Yes	RCW 82.32.730		
		2. If no recurring periodic payments, then sourced in accordance with rules of retail sale?	Yes	RCW 82.32.730		
		D. Does the state source the retail sale, including lease or rental, of transportation equipment in accordance with rules for retail sale?	Yes	RCW 82.32.730		
		1. Does the state define transportation equipment pursuant to in Section 310, subsection D?	Yes	RCW 82.32.730		

Section 310.1	Election for Origin-Based sourcing	Effective January 1, 2010				
		Has the state elected to source the retail sale of tangible personal property and digital goods on where the order is received?	No			
		Does the state comply with all the provisions of 310.1 B and C?	N/A			
Section 311	General sourcing definitions					
		For the purposes of Section 310, subsection (A), does the state define the terms "receive" and "receipt" to mean: taking possession of tangible personal property, making first use of services, or taking possession or making first use of digital goods, whichever comes first? Note: The terms "receive" and "receipt" do not include possession by a shipping company on behalf of the purchaser.	Yes	RCW 82.32.730		
Section 313	Direct mail sourcing					
		A 1. Does the state relieve the seller of the obligation to collect, pay or remit tax upon receipt of the direct mail form?	Yes	RCW 82.32.730		
		2. Does the state provide that upon receipt of delivery information, the seller shall collect tax according to purchaser's submitted information and in the absence of bad faith, seller is relieved of further liability?	Yes	RCW 82.32.730		This applies to direct mail transactions not subject to origin sourcing.
		B. Does the state require the seller to collect tax pursuant to Section 310 (A)(5) if the purchaser does not have direct pay permit and does not provide Direct Mail Form or delivery information?	Yes	RCW 82.32.730		
		C. Does the state provide that if a purchaser provides documentation of direct pay authority, the purchaser is not required to provide a Direct Mail Form or delivery information to the seller?	Yes	RCW 82.32.730		
Section 313.1	Origin-based direct mail sourcing					
		A. Has the state adopted the origin-based direct mail sourcing?	Yes	RCW 82.32.730		
Section 314	Telecom sourcing rule					
		A. Except as required in subsection C below, does the state source telecommunication services sold on a call-by-call basis to each level of taxing jurisdiction where the call originates and terminates in that jurisdiction or each level of taxing jurisdiction where the call either originates or terminates and in which service address is located?	Yes	RCW 82.32.520		

		B. Except as required in subsection C below, does the state source telecommunication service to the customer's place of primary use if sold on a basis other than call-by-call basis?	Yes	RCW 82.32.520		
		C1. Does the state source the sale of mobile telecommunication service, other than air-to-ground radiotelephone service and prepaid calling service, to customer's place of primary use as required under Mobile Telecommunications Sourcing Act?	Yes	RCW 82.32.520		
		C2. Does the state source the sale of post-paid calling service to the origination point of the telecommunication signal as first identified by either the seller's telecommunication system or information received by the seller from its service provider, where system used to transport signals is not that of the seller?	Yes	RCW 82.32.520		
		C3. Does the state source the sale of prepaid wireless calling service in accordance with Section 310 of the Agreement, including the option of the location associated with the mobile telephone number for prepaid wireless calling service?	Yes	RCW 82.32.520		
		C4a. For the sale of private communication service, does the state source a separate charge related to a customer channel termination point to each level of jurisdiction in which such customer channel termination point is located?	Yes	RCW 82.32.520		
		C4b. For the sale of private communication service, does the state source to the jurisdiction in which the customer channel termination points are located when all customer termination points are located entirely within one jurisdiction or levels of jurisdictions?	Yes	RCW 82.32.520		
		C4c. For the sale of private communication service, does the state source fifty percent in each level of jurisdiction in which the customer channel termination points are located when service for segments of a channel between two customer channel termination points located in different jurisdictions and which segment of channel are separately charged ?	Yes	RCW 82.32.520		

		C4d. For the sale of private communication service, does the state source to each jurisdiction based on the percentage determined by dividing the number of customer channel termination points in such jurisdiction by the total number of customer channel termination points when service for segments of a channel located in more than one jurisdiction or levels of jurisdiction and which segments are not separately billed?	Yes	RCW 82.32.520		
		D. Does the state source the sale of Internet access service to the customer's place of primary use?	No			Internet access service is not subject to sales tax.
		E. Does the state source the sale of an ancillary service to the customer's place of primary use?	Yes	RCW 82.32.730, 82.32.520		
Section 315	Telecom sourcing definitions					
		Does the state define the following terms in sourcing telecommunications:				
		A. Air-to-ground radiotelephone service?	Yes	RCW 82.32.520		
		B. Ancillary services?	Yes	RCW 82.04.065, 82.32.730		
		C. Call-by-call basis?	Yes	RCW 82.32.520		
		D. Communications channel?	Yes	RCW 82.32.520		
		E. Customer?	Yes	RCW 82.32.520		
		F. Customer channel termination point?	Yes	RCW 82.32.520		
		G. End user?	Yes	RCW 82.32.520		
		H. Home service provider?	Yes	RCW 82.32.520		
		I. Mobile telecommunications service?	Yes	RCW 82.32.520		
		J. Place of primary use?	Yes	RCW 82.32.520		
		K. Post-paid calling service?	Yes	RCW 82.32.520		
		L. Prepaid calling service?	Yes	RCW 82.32.520		
		M. Prepaid wireless calling service?	Yes	RCW 82.32.520		
		N. Private communication service?	Yes	RCW 82.32.520		
		O. Service address?	Yes	RCW 82.32.520		
Section 316	Enactment of Exemptions					
		Product-based exemptions. If the state exempts a product that is defined in Part II of the Library of Definitions does the state do so consistent with Part II and Section 327?	Yes	Chapter 82.08 RCW		
		Product-based exemptions. Can the state confirm that where the Agreement has a definition for a product that the state exempts, the state does not exempt specific items included within that product definition unless the definition sets out an exclusion for such item.	Yes	Chapter 82.08 RCW		
		Entity and Use-based exemptions. If the state has enacted an entity or use-based exemption for a product that is defined in Part II of the Library of Definitions does the state do so consistent with Part II and Section 327?	Yes	Chapter 82.08 RCW		

		Use-based exemptions. Can the state confirm that any use-based exemption for an item does not constitute a product-based exemption for a product defined in the Agreement that includes such item?	Yes	Chapter 82.08 RCW		
Section 317	Administration of exemptions					
		A. Does the state provide for the following in regard to purchasers claiming exemption:				
		1. Seller shall obtain identifying information from purchaser and reason for claiming exemption?	Yes	RCW 82.08.050, 82.04.470		
		2. Purchaser is not required to provide signature, unless paper exemption certificate?	Yes	RCW 82.04.470		
		3. Seller shall use standard form for claiming exemption electronically?	Yes	RCW 82.08.050		
		4. Seller shall obtain same information for proof regardless of medium?	Yes			There is no distinction in law or rule with respect to information required for exemption administration based on the medium in which the transaction occurred.
		5. Does the state issue identification numbers to exempt purchasers that must be presented to sellers?	No			This certificate of compliance is prepared using information applicable to the law in effect August 1, 2009. On January 1, 2010, Washington will institute a system in which buyers purchasing for resale present a reseller's permit to sellers in order to purchase without paying sales tax. The reseller's permit will be issued by the Department of Revenue and will include a unique Department-issued number. Purchasers will be able to use the SSUTA uniform exemption certificate instead of the reseller's permit as long as they include the Department-issued number. And purchasers who are not required to be registered with the Department of Revenue may use the SSUTA uniform exemption certificate without including a Department-issued number.
		6. Seller shall maintain records of exempt transaction and provide to state when requested?	Yes	RCW 82.08.050		
	The Governing Board has not defined "does not burden sellers". The burden is on each state to prove that something other than a direct-pay permit or exemption certificate meets this provision.	7. Does the state administer use-based and entity-based exemptions when practicable through a direct pay permit, an exemption certificate, or another means that does not burden sellers.	Yes	Title 82 RCW		

		8. In the case of drop shipment sales, does the state allow a third party vendor to claim a resale exemption based on an exemption certificate provided by its customer/re-seller or any other acceptable information available to the third party vendor evidencing qualification for a resale exemption, regardless of whether the customer/re-seller is registered to collect and remit sales and use tax in the state where the sale is sourced?	Yes	WAC 458-20-102	
		B. Does the state relieve the seller from any tax if it is determined that the purchaser improperly claimed an exemption and hold the purchaser liable for the tax, assuming the exceptions in the section?	Yes	RCW 82.08.050	
		C. Does the state relieve a seller of the tax otherwise applicable if the seller obtains a fully completed exemption certificate or captures the relevant data elements required under the Agreement within 90 days subsequent to the date of sale?	Yes	RCW 82.08.050	
	The answer to this question does not impact certification, but it would provide information to taxpayers.	2. Does the state require purchasers to update exemption certificate information or to reapply with the state to claim certain exemption?	Yes	RCW 82.08.855	As of August 1, 2009, the requirement to renew a certificate only applies to one exemption--for certain farmers purchasing replacement parts and associated labor for farm equipment and machinery. As of January 1, 2010, purchasers seeking to purchase for resale without paying sales tax must obtain a reseller's permit from the Department of Revenue. The reseller's permits must be renewed.
		3. Does the state relieve a seller of tax if the seller obtains a blanket exemption certificate for a purchaser with which the seller has a recurring business relationship?	Yes	RCW 82.08.050	
Section 318	Uniform tax returns				
		A. Does the state require the filing of only one tax return for each taxing period for each seller for the state and all local jurisdictions?	Yes	RCW 82.32.045	
		B. Does the state require that returns be filed <u>no</u> sooner than the twentieth day of the month following the month in which the transaction occurred?	Yes	RCW 82.32.045	
		C. Does the state allow a Model 1, Model 2, or Model 3 seller to submit its sales and use tax returns in a simplified format that does not include more data fields than permitted by the governing board?	Yes	RCW 82.32.045	While neither Washington law nor rule specifically provide for this, the Department of Revenue has the flexibility to prescribe whatever form for reporting tax it deems reasonable and necessary.

		D. Does the state allow any seller that is registered under the Agreement, which does not have a legal requirement to register in the member state, and is not a Model 1, 2, or 3 seller, to file a return no more often than once a year unless the seller has accumulated more than \$1,000 in state and local taxes?	Yes	RCW 82.32.045		
		1. Does the state provide to the seller the returns required by that state?	Yes			
		E. Would the state make available to all sellers a uniform sales and use tax return developed with other states?	Yes			
Section 319	Uniform rules for remittance of funds					
		A1. Does the state require more than one remittance for each return?	No	RCW 82.32.045		
		A2. If the state requires more than one remittance for each return does it do so only if: (1) seller collects more than \$30,000 in sales and use taxes in state during preceding year, (2) any additional remittance to be determined through a calculation method, and (3) the seller is not required to file additional return?	N/A			
		C. Does the state allow payment to be made by both ACH Credit & ACH Debit?	Yes	WAC 458-20-22802		
		D. Does the state provide an alternative method for "same day" payment if electronic fund transfer fails (electronic check or Fed Wire)?	Yes	WAC 458-20-22802		
		E. Does the state provide that if a due date falls on a legal banking holiday in the state, the taxes are due on the next business day?	Yes	RCW 82.32.085		
		F. Does the state require that any data that accompanies a remittance to be formatted using uniform tax type and payment type codes?	Yes			The Department of Revenue has the flexibility to use such formatting.
Section 320	Uniform rules for recovery of bad debts					
		A. Does the state allow a seller to take a deduction from taxable sales for bad debts?	No	RCW 82.08.037		Washington allows a credit, rather than a deduction, for bad debts. Washington believes it is in substantial compliance with the Agreement.
		B. Does the state use the definition of bad debt found in 26 U.S.C. Sec. 166 as basis for calculating a bad debt recovery, excluding: financing charges or interest; sales or use taxes charged on purchase price; uncollectible amounts on property that remains in possession of seller until full price paid; expenses incurred in attempt to collect debt, and repossessed property?	Yes	RCW 82.32.037		

		C1. Does the state allow bad debts to be deducted on the return for the period during which the bad debt is written off as uncollectible on and is eligible be deducted for federal income tax purposes?	Yes	RCW 82.32.037		
		C2. If the seller is not required to file a federal income tax return does the state allow bad debts to be deducted on the return for the period during which the bad debt is written off as uncollectible on and would be eligible be deducted for federal income tax purposes if the seller was required to file a federal return?	Yes	RCW 82.32.037		
		D. Does the state require that, if a deduction is taken for a bad debt and the debt is subsequently collected in whole or in part, the tax on the amount so collected must be paid and reported on the return files for the period in which the collection is made?	Yes	RCW 82.32.037		
		E. Does the state provide that, when the amount of a bad debt exceeds taxable sales for period when written off, a refund claim may be filed within the applicable statute of limitations (measured from due date of return on which bad debt could first be claimed)?	Yes	RCW 82.32.060		
		F. Does the state provide that if filing responsibilities are assumed by a CSP, the state allows the CSP to claim, on behalf of the seller, any bad debt allowance?	Yes	RCW 82.32.037		
		G. Does the state provide that, for purposes of reporting payment on previously claimed bad debt, any payments made are applied first proportionately to taxable price of property or service and sales tax thereon, and secondly to interest, service charges, and any other charges?	Yes	RCW 82.32.037		
		H. Does the state permit allocation of a bad debt among states if the books and records of a the party support allocation among states?	Yes	RCW 82.32.037		
Section 321	Confidentiality and privacy protections under Model 1					
		E. Does the state provide public notification to consumers, including exempt purchasers, of state's practices relating to collection, use and retention of personally identifiable information?	Yes	RCW 82.32.735		
		F. Does the state provide that when any personally identifiable information is no longer required for purposes in Section 321 subsection (D)(4), such information shall no longer be retained by state?	Yes	RCW 82.32.735		

		G. Does the state provide that when personally identifiable information regarding an individual is retained by or on behalf of state, the state shall provide reasonable access to information by such individual and a right to correct inaccurate information?	Yes	RCW 82.32.735		
		H. Does the state provide that if anyone other than a member state or person authorized by state law or the Agreement seeks to discover personally identifiable information, state makes reasonable and timely effort to notify the individual of the request?	Yes	RCW 82.32.735		
		I. Is the state's privacy policy subject to enforcement by state's AG or other appropriate government authority?	Yes	RCW 82.32.735		
Section 322	Sales tax holidays					
		A. Does the state have sales tax holidays?	No			
		1. If a state has a holiday, does the state limit the holiday exemption to items that are specifically defined in Part II or Part III(B) of the Library of Definitions and apply the exemptions uniformly to state and local sales and use taxes?				
		2. If a state has a holiday, does the state provide notice of the holiday at least 60 days prior to first day of calendar quarter in which the holiday will begin?				
		3. If a state has a holiday, does the state apply an entity or use based exemption to items?				
		3. If a state has a holiday, does the state limit a product based exemption to items purchased for personal or non-business use?				
		4. If a state has a holiday, does the state require a seller to obtain an exemption certificate or other certification from a purchaser for items to be exempted during a sales tax holiday?				
		B1. If a state's holiday includes a price threshold, does the state provide that the threshold includes only items priced below threshold?				
		B2. If a state's holiday includes a price threshold, does the state exempt only a portion of the price of an individual item during holiday?				
		C. Does the state meet each of the procedural requirements for holidays?				
		1. Layaway sales?				
		2. Bundled sales?				
		3. Coupons and discounts?				
		4. Splitting of items normally sold together?				
		5. Rain checks?				
		6. Exchanges?				

		7. Delivery charges?				
		8. Order date and back orders?				
		9. Returns?				
		10. Different time zones?				
Section 323	Caps and thresholds					
		1. Does the state have any caps or thresholds on the application of rates or exemptions based on the value of a transaction or item?	Yes	RCW 82.08.02566, 82.12.02566		Washington has one sales tax and use tax exemption capped at a dollar value. However, the burden of administration is not on the seller. The buyer pays the tax to the seller and then seeks a refund from the Department of Revenue.
		2. Does the state have any caps that are based on application of rates unless the application of rates are administered in a manner that places no additional burden on retailer?	No			
		B. Do local jurisdictions within the state that levy sales or use tax have caps or thresholds on application of rates or exemptions that are based on value of transaction or item?	Yes	RCW 82.08.02566, 82.12.02566		Washington has one sales tax and use tax exemption capped at a dollar value. However, the burden of administration is not on the seller. The buyer pays the tax to the seller and then seeks a refund from the Department of Revenue.
		D. Does the state have cap or threshold on the value of essential clothing?	No			
Section 324	Rounding rule					
		1. Does the state provide that the tax computation must be carried to the third decimal place?	Yes	RCW 82.08.054		
		2. Does the state provide that the tax must be rounded to a whole cent using a method that rounds up to next cent whenever third decimal place is greater than four after?	Yes	RCW 82.08.054		
		B.1. Does the state allow sellers to elect to compute tax due on a transaction, on a item or invoice basis, and shall allow rounding rule to be applied to aggregated state and local taxes?	Yes	RCW 82.08.054		
		B.2. Can the state confirm that it has repealed any requirements for sellers to collect tax on bracket system?	N/A			Washington had no bracket system to repeal.
Section 325	Customer refund procedures					
		C. Does the state provide that a cause of action against seller does not accrue until the purchaser has provided written notice to the seller and the seller has had 60 days to respond? Notice must contain information necessary to determine validity of request.	Yes	RCW 82.32.525		
		D. Does the state provide for uniform language in regard to presumption of a reasonable business practice when a seller: i) uses either a provider or a system, including a proprietary system, that is certified by the state; and ii) has remitted to state all taxes collected, less deductions, credits or collection allowances?	Yes	RCW 82.32.525		

Section 326	Direct pay permits					
		Does the state provide for a direct pay authority that allows the holder of a direct pay permit to purchase otherwise taxable goods and services without payment of tax to the supplier at the time of purchase?	Yes	RCW 82.32.087		
Section 327	Library of definitions					
		A. If term defined in Library appears in state's statutes, rules or regulations, has the state adopted the definition in substantially the same language as the Library definition?	Yes	Title 82 RCW		
		B. Can the state confirm that it does not use a Library definition that is contrary to meaning of Library definition?	Yes	Title 82 RCW		
	CRIC INTERPRETATION ADOPTED AUGUST 29, 2006	C. Except as provided in Sections 316 and 332 and Library, can the state confirm that it imposes tax on all products and services included within each Part II or Part III(B) definition or exempt from tax all products or services within each definition?	Yes	Title 82 RCW		
Section 328	Taxability matrix					
		A1. Has the state completed the taxability matrix in the downloadable format approved by Governing Board?	Yes	RCW 82.32.740		
		A2. Does the state provide notice of changes in the taxability matrix as required by the Governing Board?	Yes	RCW 82.32.740		
		B. Does the state relieve sellers and CSPs from liability to the state and its local jurisdictions for having charged and collected incorrect tax resulting from erroneous data in the matrix?	Yes	RCW 82.32.740		
		C. If the state taxes specified digital products, has the state noted such in the taxability matrix?	Yes			
		D. If the state has a sales tax holiday, has the state noted the exemption in the taxability matrix?	N/A			
Section 329	Effective date for rate changes					
		Does the state provide that the effective date of rate changes for services covering a period starting before or ending after the statutory effective date is as follows:				
		1. For a rate increase, the new rate shall apply to the first billing period starting on or after the effective date?	Yes	RCW 82.08.064		
		2. For a rate decrease, new rate shall apply to bills rendered on or after the effective date?	Yes	RCW 82.08.064		
Section 330	Bundled Transactions					
		A. Has the state adopted and does the state utilize the core definition of "bundled transaction" to determine tax treatment?	Yes	RCW 82.08.190		

		C. Can the state confirm that for bundled transactions that include telecommunication service, ancillary service, internet access, or audio or video programming service the following rules apply:				
		1. For transactions that include both taxable and nontaxable items, the price attributable to nontaxable items is exempt if the provider can identify the price by reasonable and verifiable standards from its books and records.	Yes	RCW 82.08.195		
		2. For transactions that include products subject to different tax rates, the total price may be treated as attributable to the products subject to tax at the highest tax rate unless the provider can identify by reasonable and verifiable standards the portion of the price attributable to the products subject to tax at the lower rate from its books and records that are kept in the regular course of business for other purposes, including, but not limited to, non-tax purposes?	Yes	RCW 82.08.195		
		D. If the state otherwise has not specifically imposed tax on the retail sales of computer software maintenance contracts, does the state treat software maintenance contracts as provided in this section?	Yes			
Section 331	Relief from certain liability for purchasers					
		A. Does the state provide relief for purchasers from liability for penalty to that state and its local jurisdictions for having failed to pay the correct amount of sales or use tax in the following circumstances:				
		1. A purchaser's seller or CSP relied on erroneous data provided by the state on tax rates, boundaries, taxing jurisdiction assignments, or in the taxability matrix completed by the state pursuant to Section 328?	Yes	RCW 82.32.750		
		2. A purchaser holding a direct pay permit relied on erroneous data provided by the state on tax rates, boundaries, taxing jurisdiction assignments, or in the taxability matrix completed by the state pursuant to Section 328?	Yes	RCW 82.32.750		
		3. A purchaser relied on erroneous data provided by the state in the taxability matrix completed by the state pursuant to Section 328?	Yes	RCW 82.32.750		

		4. A purchaser using databases pursuant to subsections (F), (G), and (H) of Section 305 relied on erroneous data provided by the state on tax rates, boundaries, or taxing jurisdiction assignments?	Yes	RCW 82.32.750		
		B. (Except where prohibited by a member state's constitution) Does the state relieve a purchaser from liability for tax and interest to the state and its local jurisdictions for having failed to pay the correct amount of sales or use tax in the circumstances described in Section 331 A, provided that, with respect to reliance on the taxability matrix completed by the state pursuant to Section 328, such relief is limited to the state's erroneous classification in the taxability matrix of terms included in the Library of Definitions as "taxable" or "exempt", "included in sales price" or "excluded from sales price" or "included in the definition" or "excluded from the definition".	Yes	RCW 82.32.750		
Section 332	Specified Digital Products					
		A. Does the state include specified digital products, digital audio-visual works, digital audio works, or digital books in its definition of ancillary services, computer software, telecommunication services or tangible personal property?	No	Engrossed Substitute House Bill 2075 (Chapter 535, Laws of 2009). Effective date is July 26, 2009.	26-Jul-09	
		D1. Is the state's tax on specified digital products, digital audio-visual works, digital audio works, or digital books construed to apply only to the end user unless specifically imposed on someone other than the end user?	Yes	Engrossed Substitute House Bill 2075 (Chapter 535, Laws of 2009). Effective date is July 26, 2009.	26-Jul-09	
		D2. Is the state's tax on specified digital products, digital audio-visual works, digital audio works, or digital books construed to apply only on a sale with the right of permanent use unless specifically imposed on a sale with less than permanent use?	Yes	Engrossed Substitute House Bill 2075 (Chapter 535, Laws of 2009). Effective date is July 26, 2009.	26-Jul-09	
		D3. Is the state's tax on specified digital products, digital audio-visual works, digital audio works, or digital books construed to apply only on a sale which is not conditioned upon continued payment from the purchaser unless specifically imposed on a sale which is conditioned upon continued payment from the purchaser?	Yes	Engrossed Substitute House Bill 2075 (Chapter 535, Laws of 2009). Effective date is July 26, 2009.	26-Jul-09	

		D4. Does the state's taxability matrix indicate if the state's tax is imposed on a product transferred electronically to a person other than the end user or on a sale with the right of less than permanent use granted by the seller or which is conditioned upon continued payment from the purchaser?	Yes		
		G. Is the state's tax treatment of the sale of a digital code the same as the tax treatment of specified digital product or product delivered electronically to which the digital code relates?	Yes	Engrossed Substitute House Bill 2075 (Chapter 535,	26-Jul-09
Section 333	Use of Specified Digital Products	Effective January 1, 2010			
		Does the state include any product transferred electronically in its definition of tangible personal property?	No	Substitute House Bill 2075 (Chapter 535, Laws of	26-Jul-09
Section 334	Prohibited replacement taxes				
		Does the state have any prohibited replacement taxes?	No		
Section 401	Seller participation				
		A. Does the state participate in the Governing Board's online registration system?	Yes		
		B. Does the state provide that it will not use a seller's registration with the central registration system and collection of taxes in member states in determining whether seller has nexus with state for tax at any time?	Yes	RCW 82.32.530	
Section 402	Amnesty for registration				
	CRIC INTERPRETATION ADOPTED DECEMBER 14, 2006	A1. Does the state provide amnesty to a seller who registers to pay or collect and remit applicable tax in accordance with Agreement, provided the seller was not so registered in state in 12-month period preceding effective date of state's participation in the Agreement?	Yes	RCW 82.32.725	
		A2. Does the state provide that their amnesty will preclude assessment for tax together with penalty and interest for sales made during the period the seller was not registered in the state, provided registration occurs within 12 months of effective date of state's participation in the Agreement?	Yes	RCW 82.32.725	
		A3. Does the state provide amnesty to sellers registered prior to when the state joins the Agreement?	Yes	RCW 82.32.725	
	CRIC INTERPRETATION ADOPTED APRIL 18, 2006	B. Does the state provide that its amnesty is not available to a seller who has received a notice of audit from that state and the audit is not yet resolved, including any related administrative and judicial processes?	Yes	RCW 82.32.725	
	CRIC INTERPRETATION ADOPTED APRIL 18, 2006	C. Does the state provide that its amnesty does not apply to taxes already paid to the state or to taxes already collected by a seller?	Yes	RCW 82.32.725	

	CRIC INTERPRETATIONS ADOPTED AUGUST 29, 2006 & DECEMBER 14, 2006	D. Does the state provide that its amnesty is fully effective, absent fraud or misrepresentation of material fact, as long as the seller continues registration and continues payment of taxes for period of at least 36 months? Did the state toll its statute applicable to asserting a tax liability during 36 month period?	Yes	RCW 82.32.725		
		E. Does the state provide that its amnesty is applicable only to taxes due from a seller in its capacity as seller and not in its capacity as a buyer?	Yes	RCW 82.32.725		
Section 403	Method of remittance					
		Does the state provide that the seller may select one of the technology models?	Yes	RCW 82.58.080		
		A. Model 1-seller selects CSP as agent to perform all functions except remit tax on its own purchases?	Yes	RCW 82.58.080		
		B. Model 2-seller selects CAS which calculates amount of tax due?	Yes	RCW 82.58.080		
		C. Model 3-seller utilizes own proprietary system that has been certified as a CAS?	Yes	RCW 82.58.080		
Section 404	Registration by an agent					
		Does the state provide that the seller may be registered by an agent?	Yes	RCW 82.32.026		
	This isn't a compliance issue but is something sellers and their agents should know.	Does the state require that the written agent appointments be submitted to the state?	Yes	RCW 82.32.026		Submission is required only if the state requests it.
Section 501	Provider and System Certification					
		A. Does state law provide for provider and system certification to aid in the administration of sales and use tax collection?	Yes	RCW 82.58.010		
Section 502	State review and approval of Certified Automated System Software and Certain Liability Relief					
		A. Can the state confirm that it reviews software submitted for certification as a CAS under Section 501?	Yes	RCW 82.32.745		
		B. Does the state provide liability relief to CSP's and model 2 sellers for reliance on the certification?	Yes	RCW 82.32.745		
		C. Does the state provide liability relief to CSP's in the same manner as provided to sellers under Section 317?	Yes	RCW 82.32.745		
		E. Does the state allow the CSP or model 2 seller 10 days to correct classification of items found to be in error before holding the CSP or model 2 seller liable?	Yes	RCW 82.32.745		

Section 601	Monetary allowance under Model 1					
		A. Does the state provide a monetary allowance to a CSP in Model 1 in accordance with the terms of the contract between the governing board and the CSP?	Yes	RCW 82.32.715 and WAC 458-20-277		
Section 602	Monetary allowance for Model 2 sellers					
		Does the state provide monetary allowance to Model 2 sellers pursuant to the Governing Board's rules?	Yes	RCW 82.32.715 and WAC 458-20-27701		
Section 603	Monetary allowance for Model 3 sellers and all other sellers that are not under Models 1 or 2					
		A. Does state law provide for a percentage of revenue monetary allowance for a period not to exceed 24 months for a voluntary Model 3 seller's registration and all other sellers that are not using Models 1, 2, or 3?	Yes	RCW 82.32.715		
Section 604	Monetary allowance for sellers impacted by origin sourcing	Effective January 1, 2010				
		Does the state provide reasonable compensation for the incremental expenses in establishing or maintaining a uniform origin system for administering, collection and remitting sales and use taxes on origin-based sales?	N/A			

		APPENDIX C - LIBRARY OF DEFINITIONS			
		Please verify for each item that the state uses the definition provided by the Agreement. If the item is not applicable in your state, answer "N/A."			
Part I	Administrative definitions				
		Bundled transaction	Yes	RCW 82.08.190	
		Delivery charges	Yes	RCW 82.08.010	
	CRIC INTERPRETATION ADOPTED DECEMBER 14, 2006 AND SEPTEMBER 5, 2008	Direct mail	Yes	RCW 82.08.010	
		Lease or rental	Yes	RCW 82.04.040	
		Purchase price	Yes	RCW 82.12.010	
		Retail sale or Sale at retail	No	RCW 82.04.050	Washington's definition of retail sale is not literally t
		Sales price	Yes	RCW 82.08.010	
		Telecommunications nonrecurring charges	No		Washington does not exclude this term from sales p
	CRIC INTERPRETATION ADOPTED MAY 12, 2009	Tangible personal property	Yes	RCW 82.08.010	
Part II	Product definitions	CLOTHING			
		Clothing	No		Washington does not exempt clothing items and do
		Clothing accessories or equipment	No		
		Essential clothing	No		
	CRIC INTERPRETATION ADOPTED AUGUST 29, 2006	Fur clothing	No		
		Protective equipment	No		
		Sport or recreational equipment	No		
		COMPUTER RELATED			
		Computer	Yes	RCW 82.04.215	
	CRIC INTERPRETATION ADOPTED MAY 12, 2009	Computer software	Yes	RCW 82.04.215	
		Delivered electronically	No		The definition is not needed because all prewritten s
		Electronic	No		The definition is not needed because all prewritten s
		Load and leave	No		The definition is not needed because all prewritten s
	CRIC INTERPRETATION ADOPTED MAY 12, 2009	Prewritten computer software	Yes	RCW 82.04.215	
		Computer software maintenance contract	No		Washington does not use this term in its sales and t
		Mandatory computer software maintenance contract	No		Washington does not use this term in its sales and t
		Optional computer software maintenance contract	No		Washington does not use this term in its sales and t
		DIGITAL PRODUCTS			
		Specified digital products	Yes	Section 201 of En	26-Jul-09
		Digital audio-visual works	Yes	Section 201 of En	7/26/2009
		Digital audio works	Yes	Section 201 of En	7/26/2009
		Digital books	Yes	Section 201 of Eng	7/26/2009
		FOOD AND FOOD PRODUCTS			
		Alcoholic beverages	Yes	RCW 82.08.0293	
	CRIC INTERPRETATION ADOPTED SEPTEMBER 20, 2007	Candy	No		The term is not defined because Washington exemp
		Dietary supplement	Yes	RCW 82.08.0293	

		Food and food ingredients	Yes	RCW 82.08.0293	
		Food sold through vending machines	Yes	RCW 82.08.080	
	CRIC INTERPRETATION ADOPTED APRIL 18, 2006 & DECEMBER 14, 2006				
		Prepared food	Yes	RCW 82.08.0293	
		Soft drinks	Yes	RCW 82.08.0293	
		Tobacco	Yes	RCW 82.08.0293	
		HEALTH-CARE			
	CRIC INTERPRETATION ADOPTED JUNE 23, 2007				
		Drug	Yes	RCW 82.08.0281	
		Durable medical equipment (effective 1/1/08)	Yes	RCW 82.08.0283	
		Grooming and hygiene products	No		This definition is not needed because Washington c
		Mobility enhancing equipment	Yes	RCW 82.08.0283	
		Over-the-counter-drug	Yes	RCW 82.08.0281	
		Prescription	Yes	RCW 82.08.0281	
		Prosthetic device	Yes	RCW 82.08.0283	
		TELECOMMUNICATIONS			
		The following are Tax Base/Exemption terms:			
		Ancillary services	Yes	RCW 82.04.065	
		Conference bridging service	Yes	RCW 82.04.065	
		Detailed telecommunications billing service	Yes	RCW 82.04.065	
		Directory assistance	Yes	RCW 82.04.065	
		Vertical service	Yes	RCW 82.04.065	
		Voice mail service	Yes	RCW 82.04.065	
		Telecommunications service	Yes	RCW 82.04.065	
		800 service	Yes	RCW 82.04.065	
		900 service	Yes	RCW 82.04.065	
		Fixed wireless service	Yes	RCW 82.04.065	
		Mobile wireless service	Yes	RCW 82.04.065	
		Paging service	Yes	RCW 82.04.065	
		Prepaid calling service	Yes	RCW 82.04.065	
		Prepaid wireless calling service	Yes	RCW 82.04.065	
		Private communications service	Yes	RCW 82.04.065	
		Value-added non-voice data service	Yes	RCW 82.04.065	
		The following are Modifiers of Sales Tax Base/Exemption Terms:			
		Coin-operated telephone service	Yes	RCW 82.08.0289	
		International	No		
		Interstate	No		
		Intrastate	No		
		Pay telephone service	No		
		Residential telecommunications service	No		
Part III	Sales Tax Holiday Definitions				
		Eligible property	N/A		Washington has no sales tax holidays.
		Energy Star qualified product	N/A		Washington has no sales tax holidays.
		Layaway sale	N/A		Washington has no sales tax holidays.
		Rain check	N/A		Washington has no sales tax holidays.
		School supply	N/A		Washington has no sales tax holidays.
		School art supply	N/A		Washington has no sales tax holidays.
		School instructional material	N/A		Washington has no sales tax holidays.
		School computer supply	N/A		Washington has no sales tax holidays.

Notes:

The Certificate of Compliance was revised on July 7, 2009, to reflect amendments to the Agreement as approved by the Streamlined Sales Tax Implementing States through May 12, 2009.

Certificate of Compliance Attestation

As the chief executive of the state's tax agency, I declare that this Certificate of Compliance is true, correct, and complete to the best of my knowledge and belief.

Signature

Director, Department of Revenue
Title

Washington
State

Date