

**WAC 458-20-173 Installing, cleaning, repairing or otherwise altering or improving personal property of consumers.**

**Business and Occupation Tax**

**Retailing.** Persons installing, cleaning, decorating, beautifying, repairing or otherwise altering or improving tangible personal property of consumers or for consumers are taxable under the retailing classification upon the gross proceeds received from sales of tangible personal property and the rendition of services.

**Wholesaling.** Persons who sell tangible personal property to, or render any of the above services for others than consumers, are taxable under the wholesaling classification upon the gross proceeds of sales received.

There must be included within gross amounts reported for tax all fees for services rendered and all charges recovered for expenses incurred in connection therewith, such as transportation costs, hotel, restaurant, telephone and telegraph charges, etc.

**Retail Sales Tax**

Persons engaged in the business of installing, cleaning, decorating, beautifying, repairing or otherwise altering or improving tangible personal property of consumers or for consumers are required to collect the retail sales tax upon the total charge made for the rendition of such services, even though no tangible personal property in the form of materials or supplies is sold or used in connection with such services. Where tangible personal property in the form of materials and supplies is sold or used in connection with such services, the retail sales tax applies to the total charges made for the sale of the materials and supplies and the services rendered in connection therewith.

The following are illustrative of services upon which the retail sales tax applies to the total charge made to consumers:

- Laundering, dyeing and cleaning;
- Automobile repairing, washing and painting;
- Boat repairing (see WAC 458-20-175 and 458-20-176 for certain exemptions); shoe repairing and shining;
- Altering or repairing wearing apparel.

In general, the repairing of any personal property, such as radios, refrigerators, machines, watches and jewelry and other articles.

The retail sales tax does not apply to sales of materials which are resold as a part of the articles of tangible personal property being repaired, altered or improved. Therefore, for buyers giving a resale certificate for purchases made before January 1, 2010, or a reseller permit for purchases made on or after January 1, 2010, to sellers to document the wholesale nature of any sale as provided in WAC 458-20-102A (Resale certificates) and WAC 458-20-102 (Reseller permits), the retail sales tax will not apply to purchases such as:

- (1) Parts or paint by an automotive repairman;
- (2) Lumber, chandlery, etc., by a boat repairman;
- (3) Shoe findings, thread, nails, polish and dyes by a shoe repairman;
- (4) Solder, wire, condensers, etc., by a radio or television repairman.

Even though resale certificates are no longer used after December 31, 2009, they must be kept on file by the seller for five years from the date of last use or December 31, 2014.

On the other hand the retail sales tax does apply to the purchase of all other supplies which may be consumed and utilized by such persons in the rendition of such services, such as fuel, lubricant, machines, hand tools, stationery and other supplies and equipment.

REPAIRS FOR OUT-OF-STATE PERSONS. Persons residing outside this state may ship into this state articles of tangible personal property for the purpose of having the articles repaired, cleaned, or otherwise altered, and then returned to them. The retail sales tax is not applicable to the charge made for labor and/or materials, provided the seller, as a requirement of the agreement, delivers the property to the purchaser at a point outside this state or delivers the property to a common or bona fide private carrier consigned to the purchaser at a point outside this state. Proof of exempt sales will be the same as that required for sales of tangible personal property in interstate commerce. See WAC 458-20-193. No deduction is allowed, however, under the business and occupation tax.

For taxability of warranties and maintenance agreements, see WAC 458-20-257.

[Statutory Authority: RCW 82.32.300, 82.01.060(2), chapters 82.04, 82.08, 82.12 and 82.32 RCW. WSR 10-06-070, § 458-20-173, filed 2/25/10, effective 3/28/10. Statutory Authority: RCW 82.32.300. WSR 83-07-033 (Order ET 83-16), § 458-20-173, filed 3/15/83; Order ET 70-3, § 458-20-173 (Rule 173), filed 5/29/70, effective 7/1/70.]