

**WAC 296-17A-6407 Classification 6407.**

**6407-00 Wholesale stores, N.O.C. - Including combined wholesale and retail store operations**

Applies to establishments engaged in the wholesale, or combined wholesale and retail sales of merchandise that is not covered by another classification (N.O.C.). Establishments subject to classification 6407 usually own the merchandise they sell, but may also be marketing goods on consignment, in which case classification 6407 still applies because the exposure and processes are the same. This classification is primarily the wholesale counterpart (supplier) for establishments assigned to retail store classification 6305, 6406, and 6411.

Classification 6407 also applies to retail stores with high volume warehouse and distribution facilities without the normal exposures associated with a retail store.

Work contemplated by classification 6407 includes, but is not limited to, maintaining warehouse inventories, sorting and grading goods, and breaking down bulk quantities to repackage into smaller lots. Equipment typically used includes, but is not limited to:

- Balers to bind merchandise into bundles;
- Strapping equipment to secure palletized goods;
- Forklifts; and
- Hand tools.

This classification excludes:

- Delivery which is to be reported separately in classification 1101;
- Businesses that meet the criteria for the definition of fulfillment centers in classification 2103 are classified in 2103;
- Large high volume sales operations where retail customers select and carry out the goods they purchase, which are reported in the classification applicable to the merchandise sold.

**Special notes:** When assigning classification 6407, care must be exercised to look beyond the words "wholesale" or "retail." The manufacturer of a product will also "wholesale" their merchandise (or a combination of their own merchandise and finished products bought from other manufacturers) to a customer. These sales are an integral part of the manufacturing/marketing process and is an inclusion in the manufacturing classification. Establishments that buy goods, such as clothing or cloth goods, in wholesale quantities, then screen print or embroider them for resale are performing manufacturing operations and are to be reported separately in the appropriate manufacturing classification.

Warehouse operations in classification 2102, with the exception of grocery dealers, do not own the product they are warehousing and are not in the business of selling the goods they store. Businesses in classification 6407 may operate a warehouse, but only as an integral part of the wholesaling/distribution process, which is included in classification 6407.

[Statutory Authority: RCW 51.04.020 and 51.16.035. WSR 20-24-093, § 296-17A-6407, filed 11/30/20, effective 1/1/21; WSR 19-11-109, § 296-17A-6407, filed 5/21/19, effective 7/1/19. Statutory Authority: RCW 51.16.035 and WAC 296-17-31029. WSR 17-05-095, § 296-17A-6407, filed 2/14/17, effective 1/1/18. WSR 07-01-014, recodified as § 296-17A-6407, filed 12/8/06, effective 12/8/06. Statutory Authority: RCW 51.16.035. WSR 99-18-068, § 296-17-711, filed 8/31/99, effective

10/1/99; WSR 98-18-042, § 296-17-711, filed 8/28/98, effective 10/1/98; WSR 96-12-039, § 296-17-711, filed 5/31/96, effective 7/1/96; WSR 85-24-032 (Order 85-33), § 296-17-711, filed 11/27/85, effective 1/1/86; WSR 85-06-026 (Order 85-7), § 296-17-711, filed 2/28/85, effective 4/1/85; WSR 83-24-017 (Order 83-36), § 296-17-711, filed 11/30/83, effective 1/1/84; Order 73-22, § 296-17-711, filed 11/9/73, effective 1/1/74.]