WSR 26-17-098
PROPOSED RULES
DEPARTMENT OF REVENUE
[Filed August 19, 2026, 8:38 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 26-09-096.

Title of Rule and Other Identifying Information: WAC 458-20-248 Sales of precious metal bullion and monetized bullion.

Hearing Location(s): On September 22, 2026, at 10:00 a.m. Contact Cathy Holder at CathyH@dor.wa.gov for login/dial-in information.

Date of Intended Adoption: October 20, 2026.

Submit Written Comments to: Ken Torgerson, P.O. Box 47453, Olympia, WA 98504-7453, email Kent@DOR.WA.GOV, fax 360-534-1606 or 360-534-1579, beginning August 19, 2026, at 8:30 a.m., by October 2, 2026, at 8:00 a.m.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The department of revenue intends to amend WAC 458-20-248 to incorporate changes enacted pursuant to ESSB 5794 (2025), repealing RCW 82.04.062 Sale at wholesale, "sale at retail" excludes sale of precious metal bullion and monetized bullion.

Reasons Supporting Proposal: The update is to conform the rule to ESSB 5794, which passed during the 2025 legislative session.

Statutory Authority for Adoption: RCW 82.01.060 and 82.32.300.

Statute Being Implemented: Repeal of RCW 82.04.062 under ESSB 5794.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Department of revenue, governmental.

Name of Agency Personnel Responsible for Drafting: Ken Torgerson, 6400 Linderson Way S.W., Tumwater, WA, 360-534-1579; Implementation and Enforcement: Jeannette Becker, 6400 Linderson Way S.W., Tumwater, WA, 360-534-1599.

A school district fiscal impact statement is not required under RCW 28A.305.135.

A cost-benefit analysis is not required under RCW 34.05.328. This rule is not a significant legislative rule as defined by RCW 34.05.328.

Scope of exemption for rule proposal from Regulatory Fairness Act requirements:

Is not exempt.

The proposed rule does not impose more-than-minor costs on businesses. Following is a summary of the agency's analysis showing how costs were calculated. The proposed rule does not impose more-than-minor costs on businesses, as it does not propose any new requirements not already provided for in statute. The proposed rule does not impose fees, filing requirements, or recordkeeping guidelines that are not already established in statute.

August 19, 2026
Perry Stern
Rules Coordinator

RDS-7109.1

AMENDATORY SECTION (Amending WSR 86-09-016, filed 4/9/86)

WAC 458-20-248 Sales of precious metal bullion and monetized bullion. ((~~Effective July 1, 1985~~)) (1) Introduction. This rule explains the application of business and occupation (B&O), retail sales, and use taxes to the sale of precious metal bullion and monetized bullion.

(2) Effective January 1, 2026, sales of precious metal bullion and monetized bullion are taxable "retail sales" under RCW 82.04.050 and "wholesale sales" under RCW 82.04.060.

(3) From July 1, 1985, through December 31, 2025, amounts derived from sales of precious metal bullion and monetized bullion as defined herein, are not subject to business and occupation tax under either the wholesaling or retailing classification or to retail sales tax. Statutory law expressly excludes such sales from the definitions of the terms, "wholesale sale," "sale at wholesale," "retail sale," and "sale at retail."

((~~The term,~~)) For that time-period, sales of processed or refined precious metal valued solely upon the content thereof, whatever its form, are not subject to tax in this state. This includes processed nuggets, bars, sticks, dust, and other processed forms of precious metal. For example, sales of gold or silver in raw, refined forms to dentists, laboratories, jewelers, and other persons, for their own consumption or for resale are not taxable. However, sales of precious metal which has been manufactured or further processed into any form which determines or adds to the value thereof are fully taxable. For example, sales of jewelry items, medallions, artworks, and other items, the value of which is dependent upon more than the mere content of precious metal therein, are subject to wholesaling or retailing business and occupation tax, whichever is applicable, and retail sales tax as appropriate.

Sales of metal money, in coined or other form, which is recognized as a medium of exchange in the financial marketplace, are not taxable. However, sales of coin or money, whether or not recognized as a medium of exchange, to jewelers or other persons for the purpose of manufacturing jewelry or artworks therefrom are fully taxable. For example, sales of coins for necklaces or to be used as buttons or in paintings or painting frames, etc., are taxable.

It is presumed that all sales of coin and metal money are entitled to tax exemption: Provided, that in order to be exempt of tax persons who knowingly sell such things to buyers who are regularly engaged in the business of manufacturing jewelry or works of art must take a written, signed, and dated statement from such buyers that the coins or metal money are not being purchased for use in manufacturing jewelry or works of art.

The tax exclusions explained here apply equally to sales of precious metal bullion or monetized bullion transferred through documents of ownership, certificates, confirmation slips, or other indicia of ownership.

(4) Definitions.

(a) "Precious metal bullion" ((~~is statutorily defined to~~)) means any precious metal which has been put through a process of smelting or refining((~~,~~)) including, but not limited to, gold, silver, platinum, rhodium, and palladium, and which is in such state or condition that its value depends upon its contents and not upon its form.

((~~The term,~~)) (b) "Monetized bullion" means coin or other forms of money manufactured from gold, silver, or other metals and hereto-

fore, now, or hereafter used as a medium of exchange under the laws of this state, the United States, or any foreign nation((~~, but does~~)).

(c) "Precious metal bullion" and "monetized bullion" do not include coins or money sold to be manufactured into jewelry or works of art.

((~~Thus, sales of processed or refined precious metal valued solely upon the content thereof, whatever its form, are not subject to tax in this state. This includes processed nuggets, bars, sticks, dust, and other processed forms of precious metal. For example, sales of gold or silver in raw, refined forms to dentists, laboratories, jewelers, and other persons, for their own consumption or for resale are not taxable. However, sales of precious metal which has been manufactured or further processed into any form which determines or adds to the value thereof are fully taxable. For example, sales of jewelry items, medallions, artworks, and other items, the value of which is dependent upon more than the mere content of precious metal therein, are subject to wholesaling or retailing business and occupation tax, whichever is applicable, and retail sales tax as appropriate.~~

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~~It is presumed that all sales of coin and metal money are entitled to tax exemption: Provided, That in order to be exempt of tax persons who knowingly sell such things to buyers who are regularly engaged in the business of manufacturing jewelry or works of art must take a written, signed, and dated statement from such buyers that the coins or metal money are not being purchased for use in manufacturing jewelry or works of art.~~)) (5) Exemption. Artistic or cultural organizations which purchase such things are exempt of retail sales tax as provided in WAC 458-20-249.

((~~The tax exclusions explained herein apply equally to sales of precious metal bullion or monetized bullion transferred through documents of ownership, certificates, confirmation slips, or other indicia of ownership.~~))

Taxable Commissions

Amounts received as commissions upon sales of precious metals by dealers, brokers, and other selling and/or buying agents who sell or buy precious metal bullion or monetized bullion for the accounts of customers are subject to the service and other activities classification of business and occupation tax. The amount of any shared commission or fee paid to other dealers or commissioned agents associated in such transactions are deductible from the measure of this tax. However, no deduction is allowed for any of the dealer's or commissioned agent's own costs of doing business, including salaries or commissions paid to their own salespersons or other employees. Similarly, persons who receive any part of shared commissions derived from having been associated in transactions for the purchase or sale of precious metal or monetized bullion for the account of others, are themselves subject to service business tax measured by such amounts received.

Use Tax

((~~The use tax does not apply upon the use of precious metal bullion or monetized bullion in this state under such circumstances that the sale of such bullion to the user would not be taxable if made in this state as explained earlier herein. In all other cases the~~)) For purchases occurring on or after January 1, 2026, use tax applies upon the first use by a consumer of precious metals in this state if retail sales tax has not been paid. See WAC 458-20-178.