



Excise Tax Advisory

Excise Tax Advisories are interpretive statements authorized by RCW 34.05.230.

NUMBER: 3129.2009

ISSUE DATE: February 2, 2009

This ETA is cancelled effective September 14, 2015. The issues addressed in this ETA have been incorporated into revised WAC 458-20-108, which became effective August 21, 2015.

Foreign Currency

This excise tax advisory explains the effect the acceptance of foreign currency has on the measure of tax liability.

When determining the measure of tax liability, the selling price or gross proceeds of sale must be measured in terms of the currency of the United States. If payment is accepted in foreign currency, the payment must be converted into terms of American currency. The effect of this conversion, whether resulting in an increase or decrease in the selling price or gross proceeds of sale, must be recognized.

For example, ABC Company sells a sweater for \$100, plus \$8 in retail sales tax, for a total of \$108. ABC Company accepts payment in the form of 108 Canadian dollars. The exchange rate for Canadian dollars at ABC's bank is 0.95 Canadian to 1 U.S. dollars at the time of the sales transaction. In terms of U.S. currency, ABC has actually accepted a payment of \$102.60 (108 Canadian x 0.95). The selling price or gross proceeds of sale for determining the measure of tax liability is \$95 (\$102.60 less \$7.60 retail sales tax).

All ETAs were cancelled on February 2, 2009 and those which had a continued use were rewritten and reissued using a new numbering system. The new ETAs are numbered using the following format 3nnn.yyyy. The Department of Revenue issued ETA 3001.2009 which includes a cross reference table showing the old and new ETA numbers for those ETAs that were rewritten.

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