

# SPECIAL NOTICE

April 11, 2001

For further information contact:

Telephone Information Center  
(360) 786-6100 or 1-800-647-7706

Alternate Language Formats (360) 753-3217  
Teletype 1-800-451-7985

## USE TAX OBLIGATION OF ARCHITECTS

The Department of Revenue routinely reviews the tax returns and reporting practices of registered taxpayers to ensure proper reporting. According to our records, you have not reported any use tax on the tax returns sent to the Department of Revenue during calendar year 1999. Since many architectural businesses regularly report use tax to the Department, we are contacting you with this reminder.

Businesses that perform professional services are considered consumers of tangible personal property used in their business. This means that you owe either sales tax or use tax on supplies and equipment. Generally, you should pay sales tax on purchases of such items. However, if you make purchases directly from out-of-state-sellers via the Internet, telemarketing and mail order, you may not be charged sales tax.

This does not mean, however, that you do not owe tax on such purchases. Washington's use tax is due on items used in a business on which sales tax has not been paid (except inventory held for sale). The following list contains examples of purchases on which you may owe the use tax:

- Consumable supplies such as paper, stationery, forms, reference books, magazines, canned software, office supplies, etc.
- Capital assets such as furniture, computer hardware, file cabinets, copy machines, fax machines, drafting tables, etc.

If you have purchased these or similar items, please take some time to review your purchase invoices for the past year. If the sales tax was not paid at the time of purchase, please total the amount on which tax was not paid and report the total on your next combined excise tax return.

You may also want to examine your tax records from previous years. The statute of limitations allows the Department of Revenue to look at the current year plus the prior four years. In the event of an audit, unreported use tax amounts plus interest would be assessed.

Thank you for taking the time to review your records. If you need assistance or have questions, please contact the Telephone Information Center at 1-800-647-7706.