

SPECIAL NOTICE

December 8, 2003

For further information contact:
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1-800-647-7706 or (360) 486-2345

Alternate Formats (360) 486-2342
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Special Event Promoters and Vendors - New Requirements

Per Engrossed House Bill (EHB) 2269 (Chapter 13, Laws of 2003, 1st Special Session), promoters of special events in Washington must now verify that vendors participating in such events are registered to do business with the Department of Revenue before the event begins. Special event promoters that don't comply with the new law face several new penalties.

If you have questions about the new requirements for special event promoters, contact the Tax Discovery Central Unit at **1-866-248-1287** or PO Box 1619, Bothell, Washington 98041.

The requirements and penalties detailed below are effective as of July 1, 2003.

New requirements

The bill requires that promoters of special events must:

- ◆ Verify that all vendors who will make or solicit sales of tangible personal property or services at an event have an open tax registration (UBI) number with the Washington Department of Revenue. Vendors not registered with the Department of Revenue cannot participate in the special event.
- ◆ Keep a record of:
 - ❖ the date, place and name of each special event,
 - ❖ the Washington tax registration (UBI) number of each vendor, their business name, and the owner's first and last name,
 - ❖ the business mailing/street address, city, state, zip code, and business telephone number.NOTE: Upon request, the Department will provide a blank Excel spreadsheet via e-mail or a disc with the above data in a preferred format.
- ◆ Provide the above-noted event and vendor information to the Department of Revenue within 20 days of receiving a written request from the Department.

Vendor information databases can also be sent electronically to the Department of Revenue at: Lindajoj@dor.wa.gov.

For *Display Only Trade Shows*, please contact 1-866-248-1287, option #2 or #8, for additional information.

Who is a promoter?

A "promoter" is defined as a person that organizes, operates, or sponsors a special event **and** that contracts with vendors for participation in the special event.

A person is not a "promoter" if they only provide a venue, supplies, furnishings, fixtures, equipment, or services for a special event.



What is a special event?

A “special event” is defined as an entertainment, amusement, recreational, educational, or marketing event, held on a regular or irregular basis, where more than one vendor makes or solicits retail sales of goods or services. Some examples include:

- ◆ Auto, recreational vehicle, or boat shows,
- ◆ Home, garden, or craft shows,
- ◆ Antique shows, carnivals, circuses, or fairs.

Penalties for not complying

Promoters that don’t comply with the new requirements are subject to the following penalties, not to exceed \$2,500 per special events:

- ◆ \$100 for each unregistered vendor that is permitted to sell goods or services at a special event sponsored by them.
- ◆ \$250 if the event and vendor information requested by the Department of Revenue is not received by the Department within 20 days of the request.
- ◆ \$100 for each vendor for whom the requested information is not provided to the Department.

Exemptions

The above requirements and penalties do not apply to:

- ◆ Events organized for the exclusive benefit of a nonprofit organization (as defined in RCW 82.04.3651), so that all of the gross proceeds of all vendor sales benefit the nonprofit organization.
- ◆ Special events where the promoter charges \$200 or less as a flat charge and/or percentage of sales revenues for vendors to participate.
- ◆ On-going athletic contests involving team competition, when more than five contests are held per calendar year by at least one team at the same location.

Vendors – registering with the Department of Revenue

Vendors can register with the Department by:

- ◆ Visiting any of the Department’s local offices or the Tax Discovery Central Unit to obtain a temporary tax registration number.
- ◆ Calling our Telephone Information Center at 1-800-647-7706.
- ◆ Filing a Master Application online at <http://www.dol.wa.gov/forms/700028.htm>.

Sales made at special events

Sales of tangible personal property at special events are generally subject to sales tax. Vendors must collect and remit the applicable combined state and local sales tax rate to the Department of Revenue.

The combined state and local tax rate varies throughout the state, depending on the location where the sales are made. For the correct tax rate to charge for a specific location, see our *Local Sales and Use Tax Rates and Changes* publication.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 486-2342. Teletype (TTY) users please call 1-800-451-7985.