



Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

NOVEMBER 9, 2007

Wineries May Qualify for B&O Tax Refund

For tax periods beginning January 1, 2003, through June 30, 2005

The Department has determined that wineries can qualify for the preferential business and occupation (B&O) tax rate prescribed for:

- persons who manufacture wine from grapes (fresh fruit), and
- persons selling wine at wholesale, that they have manufactured from grapes, to buyers who transport the wine out of this state in their ordinary course of business.

Therefore, wineries that reported under manufacturing and/or wholesaling B&O tax classifications, may qualify for a refund of the B&O tax paid that exceeded the preferential rate for manufacturers and wholesalers of fresh fruit and vegetables.

Deadline

A winery must file a refund claim by December 31, 2007, to get a refund of the overpaid B&O tax paid in calendar year 2003.

For tax periods beginning on or after July 1, 2005

Wineries likely qualify for the B&O tax exemption provided for:

- persons who manufacture wine from grapes (fresh fruit), and
- persons selling wine at wholesale, that they have manufactured from grapes, to buyers who transport the wine out of this state in the ordinary course of business.

If the winery reported under the manufacturing and/or wholesaling B&O tax classifications they qualify for a refund of the B&O tax paid on such activities. This exemption expires July 1, 2012, at which time the B&O tax rate for these activities will revert to the preferential rate of .00138 (RCW 82.04.260).

Requirements for claiming this tax preference

Wineries qualifying for a B&O tax refund because of the tax preference for fresh fruit processing will need to file an annual survey for each year they claim the tax preference. The due date for filings for previous years has been extended to March 31, 2008, to allow for the Department's change in policy with regard to this issue. For the future tax periods, wineries claiming this preference will be required to electronically file all excise tax returns, surveys, and any other forms and information required.

P.O. BOX 47478 | OLYMPIA, WASHINGTON 98504-7478 | 1-800-647-7706 | [HTTP://DOR.WA.GOV](http://DOR.WA.GOV)

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users please call 1-800-451-7985.

Wineries Request for Refund of Manufacturing/Wholesaling B&O Tax

To request a refund from the reclassification of income from the *manufacturing/wholesaling B&O tax classification*, complete and send this form to the Department of Revenue at the address noted above. Incomplete forms may delay your refund request. If you have any questions, please call 1-800-647-7706.

Date _____

Company Name _____ Tax Reporting Account Number _____

Mailing Address _____ Contact Person _____

City, State, Zip _____ Phone Number _____

► **Directions:** Wineries may use the spreadsheet below to request a refund for producing wine from processing fresh fruit (grapes). In the table below, list your refund request by each calendar year.

Tax Periods	Tax Classification Reported Under	Taxable Amount Reported	Tax Paid @ .00484 (A)	Tax Due @ .00138 (B)	Difference to be Refunded (A-B)
Calendar Year 2003	Manufacturing/Wholesaling	\$	\$	\$	\$
Calendar Year 2004	Manufacturing/ Wholesaling	\$	\$	\$	\$
January 2005 – June 2005	Manufacturing/ Wholesaling	\$	\$	\$	\$
Tax Periods	Tax Classification Reported Under	Taxable Amount Reported	Tax Paid @ .00484 (A)	Tax Due (B)	Difference to be Refunded (A-B)
July 2005 – December 2005	Manufacturing/ Wholesaling	\$	\$	\$.00	\$
Calendar Year 2006	Manufacturing/ Wholesaling	\$	\$	\$.00	\$
January 2007 – Current Year 2007	Manufacturing/ Wholesaling	\$	\$	\$.00	\$

► **Please make additional copies of this form as needed.**

Grand Total

\$

* **Annual Survey:** Wineries qualifying for a B&O tax refund because of the tax preference for fresh fruit processing will need to file an annual survey for each year they claim the tax preference for fresh fruit processing. The due date for such filings for previous years will be extended to allow for the Department's change in policy with regard to this issue. For the future tax periods, wineries claiming this preference will be required to electronically file all excise tax returns, surveys, and any other forms and information required.

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