



Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

JUNE 3, 2008

Tax Exemptions for Honey Beekeepers

Beginning July 1, 2008, Second Substitute Senate Bill (SSSB) 6468 provides a business and occupation (B&O) tax and sales/use tax exemption for “eligible apiarists.” The exemptions will expire on July 1, 2013.

Who qualifies?

Only “eligible apiarists” qualify for the new exemptions. An eligible apiarist is a person who:

- Owns or keeps one or more bee colonies;
- Grows, raises or produces honey bee products for sale at wholesale; and
- Registers their hives/colonies with the Washington State Department of Agriculture as required by RCW 15.60.021.

(For more information about the Department of Agriculture’s hive registration program, please visit <http://agr.wa.gov/PlantsInsects/default.htm> or call (360) 902-2070.)

A “bee colony” is defined as a natural group of honey bees containing 7,000 or more workers and one or more queens, housed in a man-made hive with moveable frames, and operated as a beekeeping unit.

B&O tax exemptions

Sales of honey bee products:

An exemption from the business and occupation (B&O) tax is provided for wholesale sales of “honey bee products” by an eligible apiarist.

Honey bee products are defined as:

- Queen honey bees
- Packaged honey bees
- Honey
- Pollen
- Bees wax
- Propolis
- Other substances obtained from honey bees

This B&O tax exemption does not extend to retail sales of honey bee products. Retail sales tax also applies to retail sales of honey bee products that are nonfood products.

Bee pollination services:

An exemption from B&O tax is also provided for income received by an eligible apiarist for providing bee pollination services to a farmer (as defined in Chapter 82.04.213 RCW,). The eligible apiarist must provide pollination services using bee colonies that the eligible apiarist owns or keeps.

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It is important to note that income received from brokering bees remains subject to the B&O tax under the Service and Other Activities classification. A broker is generally a third party who simply arranges for an apiarist to place bee colonies in a farmer's fields or orchards. The apiarist, rather than the broker, owns or keeps the colonies.

Sales/use tax exemptions:

A sales/use tax exemption is provided for purchases of honey bees by an eligible apiarist. To document the exempt purchase, the eligible apiarist (buyer) must give the seller a properly completed "Buyer's Retail Sales Tax Exemption Certificate" at the time of purchase. The exemption certificate is available at <http://dor.wa.gov> under "Get a form or publication."

The sales/use tax exemption does not cover other items such as bee hives, hive components, extractors, protective clothing, and beekeeping equipment.

If you are not required to file an excise tax return and you need to report use tax, you can use a Consumer Use Tax Return available on the Department's Internet web site under "Get a form or publication."

If you need assistance or have questions, please visit the Department's web site at <http://dor.wa.gov> or contact the Telephone Information Center at 1-800-647-7706.