

# Excise Tax Advisory

Excise Tax Advisories are interpretive statements authorized by RCW 34.05.230.

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## **Sale Without Transfer of Possession**

Is a sale, in which no transfer of possession occurs, taxable for business and occupation tax purposes?

Assume goods are purchased from Supplier, Inc. by Marketing, Inc., which is the marketing outlet for Supplier, Inc. The goods remain in the warehouse of Supplier, Inc. Marketing Inc. subsequently sells the goods to a purchaser.

Under RCW 82.04.030 and WAC 458-20-203 these corporations are separate legal "persons" notwithstanding their affiliation. Because a "'sale' means any transfer of the ownership of, title to, or possession of property for valuable consideration," RCW 82.04.040, both the sale from Supplier, Inc. to Marketing, Inc. and the sale from Marketing, Inc. to a subsequent purchaser are taxable, even though there is no physical transfer of the goods.

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