

# Excise Tax Advisory

Excise Tax Advisories are interpretive statements authorized by RCW 34.05.230.

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## Day Trips for Sightseeing purposes

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### Purpose

This ETA explains what a “day trip for sightseeing purposes” is, and how it is taxed.

This ETA does not cover:

- Sightseeing trips lasting 24 hours or longer (refer to WAC 458-20-258 Travel agents and tour operators for information on multiday sightseeing tours);
- Sightseeing trips by boat or other watercraft, such as cruising; or
- Transportation-only activities such as taxi services.

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### What is a day trip for sightseeing purposes?

WAC 458-20-183(6)(e) provides:

Day trips for sightseeing purposes are ... sightseeing trips, whether for educational, instructional, or recreational purposes, that last less than twenty-four hours.

Examples of day trips for sightseeing purposes include wine tours, scenic tours, culinary tours, educational or nature-related tours, or cultural tours.

For the purposes of this ETA, the following definitions apply:

1. **Day trip:** “Day trip” refers to a trip that last less than 24 hours, although this period may overlap two calendar days, such as a sightseeing trip that starts at 10am on a Saturday, and returns at 2am on Sunday.
2. **Sightseeing:** “Sightseeing” is the act of seeing sights. Specifically, it refers to the activity of visiting or going about to see places and things of interest in a particular location.

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- Sightseeing can involve visiting one site or several site locations.
- Sightseeing does not depend on the mode of transportation. It can be by foot, car, plane, bus, etc.

A day trip for sightseeing purposes requires the day trip to have a sightseeing purpose.

- Transportation trips are not deemed to have a sightseeing purpose, even if there happens to be some notable sights along the route.
  - For example, taking an airport shuttle from Seattle to the SeaTac airport is not a day trip for sightseeing purposes, even though while traveling on Interstate-5, riders may have a scenic view of Mount Rainier.
  - Other examples may include aerial surveying, crop dusting, and other similar situations where the flight is not for sightseeing purposes, even though various sights may be observed while performing the activities. For more information, see ETA 3056.2009 “Taxability of Air Transportation and Other Activities Performed with Aircraft.”
- A day trip for sightseeing purposes may or may not include a tour guide.
- Evidence demonstrating that a day trip is for sightseeing purposes includes any advertising of the trip for sightseeing purposes.
- Sightseeing need not be the sole purpose of day trips for sightseeing purposes. As WAC 458-20-183(6)(e) provides, day trips for sightseeing purposes may also have educational, instructional, or recreational purposes.
  - For example, a tour guide may describe the history or environmental elements of what the customers are seeing on their trip. The purpose of the trip is still that of sightseeing even though there may be an educational or instructional component to the tour.
  - However, if an educational institution provides an eight-hour field trip to its students for academic credit, or as part of its academic curriculum, then the trip is not considered a day trip for sightseeing purposes. For more information see WAC 458-20-167, Educational institutions, school districts, student organizations, and private schools.

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**How are day trips for sightseeing purposes taxed?**

A day trip for sightseeing purposes is a retail sale of services under RCW 82.04.050(15)(a)(viii). This means that providers of these trips to consumers are required to collect and remit retail sales tax, and are subject to the retailing B&O tax on their gross charges, including any charges for related equipment, for sales taking place in Washington.

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When a day trip for sightseeing purposes is sold for resale, the trip provider is subject to wholesaling B&O tax under RCW 82.04.270. The provider must document the wholesale sale by obtaining a reseller permit from the buyer as required by WAC 458-20-102 *Reseller permits*.

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## Examples

This ETA includes examples that identify a set of facts and then state a conclusion. These examples are only a general guide. The tax results of other situations must be determined after a review of all facts and circumstances. *Except as noted, the following are examples of retail day trips for sightseeing purposes provided to an end consumer (purchaser). As such, the seller must collect and remit retail sales tax from the purchaser, and is also subject to retailing B&O tax on its gross charges. All trips last less than 24 hours. NOTE: These examples do not address any applicable exemptions or preemptions.*

### **Example 1.** *Day trips for sightseeing with or without a tour guide*

- **Facts:** CitiRides Inc. sells bus tours through historical areas of Spokane showing purchasers locations of interest including Manito Park and Spokane Falls. CitiRides provides a tour guide who narrates the tour and provides amusing anecdotes throughout the tour.
- **Result:** The sale of these historic bus tours are retail sales of day trips for sightseeing purposes. The tours would still be retail sales even if the tours do not include a tour guide.

### **Example 2.** *Day trips for sightseeing purchased at wholesale*

- **Facts:** In the example above, CitiRides offers a special summer deal, selling 12-hour long comprehensive tours of Spokane. As part of the summer deal, CitiRides will expand its product offering by purchasing and reselling the tour services of a competitor, Town Tours Inc. Town Tours sells tours to Spokane Falls that constitute day trips for sightseeing purposes, which are conducted by bus and include a bus driver and a tour guide. CitiRides hires Town Tours Inc. to provide the Spokane Falls bus tours, which CitiRides sells to its purchasers.
- **Result:** For CitiRides, the sales to purchasers of the Spokane Falls tours are retail sales of day trips for sightseeing purposes. For Town Tours, it is making wholesale sales to CitiRides, and owes wholesaling B&O tax on these sales.

### **Example 3.** *Day trips for sightseeing – mode of transportation immaterial*

- **Facts:** Tuscany in Yakima Inc. plans and takes tour purchasers through several wineries in Yakima wine country, and may use various modes of transportation. At the wineries, the purchasers may separately purchase wine samples and bottles of wine from the wineries.
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- **Result:** The wine tours are retail sales of day trips for sightseeing purposes. These are retail sales regardless of how Tuscany in Yakima transports the customers to and from the wineries, including by van or bus.

**Example 4.** *Day trips for sightseeing with an education component*

- **Facts:** Walk Alpine Inc. sells hiking trips in the Olympics to see the natural wonder of the Olympics region. Walk Alpine tour guides also provide customers with information on the wild edible plants seen along the tour.
- **Result:** The activity is a retail sale of day trips for sightseeing purposes, even though there is an educational component to these hikes.

**Example 5.** *Day trips for sightseeing – aerial trip*

- **Facts:** Soaring Puget Inc. sells two-hour long helicopter rides to see the sights in Puget Sound. Soaring Puget takes tourists from an airfield in Snohomish County to fly over Seattle to see the city from the air, and up to Skagit County to see the tulips in bloom from the air. The Soaring Puget helicopter then returns to the same Snohomish County airfield where the tour started.
- **Result:** These rides are retail sales of day trips for sightseeing purposes.

**Example 6.** *Day trips for sightseeing – bike tour with equipment provided*

- **Facts:** Pedal the View Inc. sells bicycle tours. Pedal the View provides customers with bicycles, helmets, gloves and other equipment for a ride through scenic areas, such as the banks along the Nisqually River in Thurston County. Pedal the View also conducts nighttime pub-crawl trips in Olympia, Washington where purchasers visit brewery locations.
- **Result:** These activities are retail sales of day trips for sightseeing purposes.

**Example 7.** *Day trips for sightseeing – train tour*

- **Facts:** Steam Thrills Inc. sells short train trips, leaving and returning to the same location. During the trips, the train passes by scenic lakes, mountain views, and passes over old train bridges.
- **Result:** This activity is a retail sale of a day trip for sightseeing purposes.

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**Other activities  
included with day  
trips for sightseeing  
purposes**

A sale may combine a day trip for sightseeing purposes with other products or services. In general, this does not change the retail treatment of the trip. If the sale of a day trip for sightseeing purposes is combined with one or more distinct and identifiable products, and sold for one non-itemized price, then this may be a bundled transaction subject to retail sales tax and retailing B&O tax. For additional information on bundled transactions, see RCW 82.08.190 and RCW 82.08.195.

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**Example 8.** *Bundled transaction involving multiple services*

- **Facts:** Evergreen Railroads Inc. offers special events on a sightseeing train ride. For one nonitemized price, the package includes a private railcar for the sightseeing train ride for 40 guests; a choice of three entertainment options: string quartet, disk jockey, or comedic guide; and appetizers.
- **Result:** This is a bundled transaction, and the entire charge is subject to retail sales tax. Note – the train ride constitutes a day trip for sightseeing purposes.

**Example 9.** *Bundled transaction involving services and goods*

- **Facts:** Tuscany in Yakima from Example 4 also sells deluxe winery tours. These package deals include samples of the wine at each stop and souvenir glasses. Also included is a gourmet meal served after visiting several wineries.
- **Result:** The deluxe package is a bundled transaction, and subject to retail sales tax. Note – the wine tours constitute day trips for sightseeing purposes.

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**Sourcing of day trips  
for sightseeing**

Day trips for sightseeing purposes may cross multiple local jurisdictions within Washington, or may take place partly in Washington and partly outside of the state.

RCW 82.32.730 generally governs where retail sales are deemed to take place. Under RCW 82.32.730(1)(b), if a retail service as defined in RCW 82.04.050 is not received by the purchaser at a business location of the seller, then the sale is sourced<sup>1</sup> to the location where *receipt* by the purchaser occurs. RCW 82.32.730(9)(f) defines “receive” or “receipt” to mean “making first use” of the retail service.

The sale of day trips for sightseeing purposes is sourced to the location where the trip begins. Thus, if a tour that is a day trip for sightseeing purposes crosses multiple states or local Washington jurisdictions, then the sale of those services is sourced to where the tour starts (i.e., where first use of the services is made).

**Example 10.** *Sale sourced outside Washington*

- **Facts:** Rainier Tours Inc. conducts Mt. Rainier National Park bus tours that qualify as day trips for sightseeing purposes, leaving from and returning to Portland, Oregon.
- **Result:** The sale of these day trips for sightseeing purposes are sourced to Oregon because Portland is where the customer begins the tour. Neither retailing B&O tax nor retail sales tax is due on the sale.

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<sup>1</sup> "Sourced" refers to the location where a sale is deemed to occur and is subject to retail sales tax. This is also the location use for attributing the sale for purposes of retailing B&O tax.

**Example 11.** *Sale sourced inside Washington*

- **Facts:** Crater Tours Inc. sells bus day tours that qualify as day trips for sightseeing purposes. The tours start in Vancouver, Washington, then travel to Crater Lake National Park in Oregon, and end in Vancouver, Washington.
- **Result:** The sales of these day trips for sightseeing purposes are sourced to Vancouver, Washington because the customer starts the tour in Vancouver, Washington. Sourcing to Vancouver means that Crater Tours must charge and collect the combined state and local retail sales tax applicable in Vancouver, Washington.

**Example 12.** *Sale sourced outside Washington*

- **Facts:** Columbia Club Crawl Inc. sells a multi-location tour that qualifies as a day trip for sightseeing purposes and starts in Portland, Oregon. The tour first goes by van to a craft distillery in Portland, then crosses the river to stop at a brewpub in Vancouver, Washington. From there it goes back south, where the last stop is dinner at a Portland, Oregon brewpub.
- **Result:** The sale of these day trips for sightseeing purposes are sourced to Portland, Oregon because the tour starts there. Neither retailing B&O tax nor retail sales tax is due on the sale.

**Example 13.** *Sale sourced inside Washington*

- **Facts:** Coastal Tours Inc. drives tourists up and down Washington's scenic Pacific Ocean coastline on tours that qualify as day trips for sightseeing purposes. Tour participants park at Coastal Tours' location in Aberdeen, Washington and then go by bus from Aberdeen down the coast to Long Beach, Washington before returning to Aberdeen.
- **Result:** This day trip for sightseeing purposes is sourced to Aberdeen, Washington, even though parts of the sightseeing occurred in Long Beach. Sourcing to Aberdeen means that Coastal Tours must charge and collect the combined state and local retail sales tax applicable in Aberdeen, Washington.