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Automobile Towing and Roadside Assistance Services

What is the scope of this ETA?

This Excise Tax Advisory (ETA) provides information about the meaning and taxability of "automobile towing and similar automotive transportation services." This ETA also provides information about the taxability of roadside assistance services that may be performed by towing companies.

Note: The phrase "automobile towing and similar automotive transportation services" will simply be referred to as "automobile towing" in this ETA.

What taxes apply to automobile towing services?

Charges for automobile towing are subject to retailing business and occupation (B&O) and retail sales taxes.

Note: The local sales tax rate that applies to automobile towing is the rate for the automobile towing service provider's place of business.

Examples of automobile towing services:

Automobile towing includes the following nonexclusive list of services:

- Pulling or winching an automobile out of a ditch.
- Transporting a repossessed automobile with a tow truck.
- Transporting a damaged, inoperable, abandoned, or unauthorized (e.g., illegally parked) automobile, including a motorcycle, with a tow truck.
- Transporting a donated automobile to an auction yard with a tow truck, whether the automobile is operable or inoperable.
- Transporting, with a tow truck, an automobile of a for-hire motor carrier engaged in the business of transporting persons or property in interstate or foreign commerce.
- Transporting not more than two automobiles at a time for a single customer, where the automobiles have been raised onto a flatbed tow truck, regardless of:

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- Whether or not the flatbed tow truck is capable of transporting more than two automobiles, and
- How many automobiles are being transported on the truck.
- Transporting three or more automobiles at a time that have been raised onto a flatbed tow truck where no more than two automobiles are transported for a single customer. For example, if two automobiles are transported for one customer and three automobiles are transported for a second customer, only the transporting of the two automobiles for the first customer is a towing service.

Note: Automobile towing includes, but is not limited to, the following activities when performed by the tow truck operator before towing.

- Removing snow from around the automobile
- Disconnecting the automobile's drivetrain
- Righting an overturned automobile

What is a tow truck?

A "tow truck" for purposes of this ETA

- Is a motor vehicle that is equipped to transport automobiles by raising an axle or combination of axles off the ground, and
- Includes a truck primarily designed and intended to transport automobiles by loading the automobile or automobiles entirely onto the truck, including a flatbed, slide back, tilt bed, or rail design truck.

Non-examples of automobile towing:

Automobile towing does not include the following nonexclusive list of activities:

- Transporting a boat.
- Transporting a mobile home.
- Transporting farm equipment, such as tractors and combines.
- Transporting construction equipment, such as excavators and dozers.
- Transporting a tool trailer or an office trailer between construction jobsites.
- Transporting more than two automobiles at a time for a single customer, where the automobiles have been raised onto a flatbed tow truck.
- Transporting a single automobile by a common or contract carrier, as those terms are defined in RCW 81.80.010, using a vehicle other than a tow truck. For example, the transportation of a single automobile on a semi-trailer by a common or contract carrier is not considered automobile towing.

What taxes apply to roadside assistance services?

Automobile towing companies sometimes discover that by providing a roadside assistance service the customer's automobile will not require towing. The taxability of roadside assistance services is dependent upon the type of service performed. As a general rule, the charge for these services will be subject to either the retailing business and occupation (B&O) and retail sales taxes or the service and other

activities B&O tax.

Examples of retail roadside assistance services:

The charge for roadside assistance services that consist of installing, repairing, cleaning, altering, or otherwise improving automobiles for consumers is considered a retail sale. The following are examples of retail roadside assistance services.

- Charging a customer's automobile battery;
- Inflating a customer's flat tire or mounting a customer's spare tire; and
- Installing parts on or repairing a customer's automobile.

Note: As in the case of automobile towing, the local sales tax rate that applies to retail sales of roadside assistance is the rate for the automobile towing service provider's place of business.

Examples of roadside assistance services subject to service B&O tax:

The charge for roadside assistance services that are not considered a retail sale, and are not specifically taxed under any other B&O tax classification, is subject to the service and other activities tax classification. Retail sales tax does not apply to these charges. The following are examples of roadside assistance services that are subject to service and other activities B&O tax.

- Jump starting an automobile; and
 - Unlocking an automobile.
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