

Excise Tax Advisory

Excise Tax Advisories are interpretive statements authorized by RCW 34.05.230.

ETA 3054.2020

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Sales to residents of states or possessions of the US, and territories or provinces of Canada, that do not impose a tax of at least three percent

Purpose

This Excise Tax Advisory (ETA) provides information regarding the qualified nonresident sales tax exemption. The ETA provides guidance to purchasers by explaining the exemption and the process for submitting a refund request.

Background

[RCW 82.08.0273](#) provides an exemption from state retail sales tax to qualified nonresidents of Washington for purchases of tangible personal property, digital goods, and digital codes, for use outside this state. The exemption is available only to residents of states or possessions of the United States, or Canadian territories or provinces that do not impose a retail sales tax, use tax, value added tax, gross receipts tax on retailing activities, or similar tax, of three percent or more.

The exemption is not available at the point of sale. The qualified purchaser must submit a refund request to the Department to receive the exemption in the form of a remittance. The exemption applies only to the state portion of the sales tax for eligible items.

Qualified nonresidents of Washington

As of July 1, 2019, only residents of the following qualify for this exemption:

States	U.S. Possessions	Canada Provinces/Territories
Alaska	American Samoa	Alberta
Colorado		Northwest Territories
Delaware		Nunavut
Montana		Yukon Territory
New Hampshire		
Oregon		

To request this document in an alternate format, visit <http://dor.wa.gov> and click on "contact us" or call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711.

General tax information is available on our website at dor.wa.gov.

Questions? Complete the online form at dor.wa.gov/communications or call 800-647-7706. If you want a binding ruling from the Department, complete the form at dor.wa.gov/rulings.

Eligible and ineligible purchases

The law provides an exemption from the state portion of the sales tax for purchases meeting all of the following requirements:

- Purchases must be tangible personal property, digital goods, or digital codes;
- Purchases must be for use outside Washington; and
- Purchasers must satisfactorily establish qualified nonresident status.

Thus, the exemption does not apply with respect to charges for services that are included within the definition of the term "sale at retail." For example, purchases of the following services do not qualify for the exemption:

- Lodging at hotels or motels.
- Repair services, including labor charges for installing automobile parts.
- Laundry or dry cleaning services.
- Automobile towing or parking.
- Amusement and recreational activities such as golf, bowling, and charter fishing.
- Personal services such as tanning, tattooing, and dating services.
- Abstract, title insurance, or escrow services.

The exemption also does not apply to purchases of articles substantially used or consumed within Washington. For example, the exemption does not cover any of the following purchases:

- Meals or refreshments prepared for immediate consumption.
- Purchases by persons in the military stationed within Washington.
- Purchases by nonresident students attending schools in this state.
- Purchases by any other nonresident temporarily residing in Washington.

The exemption also does not apply to sales of marijuana, useable marijuana, or marijuana-infused products.

Instructions to purchasers

Effective July 1, 2019, qualified nonresidents making eligible purchases are required to pay the state and local tax to the seller at the time of the purchase. Beginning on January 1 of each year, a refund request for the state portion of the tax may be submitted to the Department of Revenue for all eligible purchases made in the preceding calendar year.

For the 2020 calendar year, the Department will process qualified nonresident remittance requests for qualifying purchases made between July 1, 2019, and December 31, 2019.

Refund requests must be submitted electronically through [MyDOR](#).¹ Purchasers should create a Secure Access Washington (SAW) account if they do not already have one, or login with an existing account. Instructions are available on the [MyDOR Help webpage](#).²

The refund request must include:

- A copy of photo identification showing the purchaser's qualifying residential address.
- Copies of itemized sales receipts with eligible items circled. The receipt must include:
 - Date of purchase
 - Location of purchase
 - Sales tax amount

The Department may request additional documentation or information to verify the refund claim.

Requests must be for qualifying purchases made during the immediately preceding calendar year. All qualifying purchases for the calendar year must be included in one request. Only one request is permitted per person per calendar year.

The eligible refund amount must be at least \$25 dollars. The Department must deny any request that is less than \$25.

The purchaser agrees, when requested, to grant the Department of Revenue access to records and other forms of verification at the purchaser's place of residence to assure that such purchases are not first used substantially in the state of Washington.

Any person found submitting fraudulent statements to the department will no longer be eligible to claim refunds for qualified nonresident purchases and must repay the refund in full along with interest. Fraudulent claims are subject to a civil penalty equal to the greater of \$100 or the amount of the refund obtained.

Purchasers can contact 360-705-6705 for assistance with refund submissions.

Other retail sales tax exemptions

Several exemptions from retail sales tax at the point of sale still apply, including the following:

- Sales of goods delivered to customers outside Washington ([WAC 458-20-193](#))
- Sales of motor vehicles and trailers to nonresidents ([WAC 458-20-177](#))
- Sales of watercraft and vessels to nonresidents ([WAC 458-20-238](#))

¹ <https://secure.dor.wa.gov/home/>.

² <https://dor.wa.gov/about/my-dor-help/get-started>.

- Sales of farm machinery implements to nonresidents ([WAC 458-20-239](#))
- Sales to foreign diplomats ([WAC 458-20-190](#))
- Sales to the United States government ([WAC 458-20-190](#))

The conditions and requirements for exemption with respect to these sales remain unchanged.

Corporate Nonresidents: The Department has discontinued the corporate nonresident permit program. Corporate nonresidents wishing to claim a refund for state sales tax paid on eligible Washington purchases must follow the instructions outlined above or, if eligible, use an alternative exemption certificate as permitted by statute.
