

Excise Tax Advisory

Excise Tax Advisories are interpretive statements authorized by RCW 34.05.230.

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Dismantling of Equipment as Retail Sales

Does the dismantling of equipment as part of the process of loading the same on railroad cars constitute services which are taxable as a retail sale?

Taxpayer dismantled equipment as it came off ships and placed it in railroad cars. The job included moving, preparation for shipment, packing, crating, loading, welding and affixing of blocking materials in cars, and tying down materials with cables for shipment. Taxpayer's primary purpose in doing this was to prepare the equipment for shipment.

RCW 82.04.050 defines "sale at retail" to include "labor and services rendered in respect to . . . installing, repairing, cleaning, altering, imprinting, or improving of tangible personal property of or for consumers."

When the contract is to crating, packing, and loading the equipment and the dismantling or disassembly is merely incidental, the activity is properly classified as stevedoring, which includes:

... all activities of a labor, service or transportation nature whereby cargo may be loaded or unloaded to or from vessels or barges, passing over, onto or under a wharf, pier, or similar structure; cargo may be moved to a warehouse or similar holding or storage yard or area to await further movement in import or export or may move to a consolidation freight station and be stuffed, unstuffed, containerized, separated or otherwise segregated or aggregated for delivery or loaded on any mode of transportation for delivery to its consignee.

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