

Excise Tax Advisories are interpretive statements authorized by RCW 34.05.230.

ETA 3025.2009

Issue Date: February 2, 2009

Construction of Private Roads Intended to be Dedicated to the County

Does a contractor engage in "public road construction" when constructing roads on land owned by a private investment company but intended to be dedicated to a public body?

RCW 82.04.050 exempts from "sale at retail" contracts for the building of "publicly owned" streets. See ETA 3033.2008. Where there is a reasonable certainty that streets and roads will be dedicated to the public body as a result of the platting of an area by an investment builder, such contracts may be classified as "public road construction." However, if the roads and streets are not finally dedicated to the public body within a reasonable period of time after the work is completed the investment builder will be held liable for deferred sales tax on the cost of the work.

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