

Excise Tax Advisory

Excise Tax Advisories are interpretive statements authorized by RCW 34.05.230.

ETA 3039.2009

Issue Date: February 2, 2009

Agricultural Fair Association Exemption

Nonprofit agricultural fairs are exempt from the business and occupation (B&O) tax under RCW 82.04.335.

This chapter shall not apply to any business of any bona fide agricultural fair, if no part of the net earnings therefrom inures to the benefit of any stockholder or member of the association conducting the same: **Provided**, That any amount paid for admission to any exhibit, grandstand, entertainment, or other feature conducted within the fair grounds by others shall be taxable under the provisions of this chapter, except as otherwise provided by law.

The following guidelines are given to show the scope of this exemption for agricultural fair associations only:

1. The exemption is allowable only for the periods of time the agricultural fair is in progress; that is, the dates advertised as being open to the public. Thus, when the agricultural fair is not in operation, gross receipts from rentals of space within the fair grounds for rodeos, exhibits, storage, etc., are subject to the B&O tax.
2. Exemption is allowable for the gross income received from the operation of an agricultural fair, but not from any other source.
3. Agricultural fair associations are exempt only from the B&O tax; thus an agricultural fair association is not relieved from responsibility of collection of retail sales tax if retail sales are regularly made.
4. The agricultural fair association is subject to the requirements of RCW 82.32.033 dealing with promoters of special events.

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.

EXAMPLES

BUSINESS AND OCCUPATION TAX EXEMPTIONS apply to: General admission and grandstand receipts (charged by the agricultural fair association); advertising income in premium books and programs when distributed free of charge; carnival, concession, stall fees; check room; and automobile parking rentals and charges.

RETAIL SALES TAX MUST BE COLLECTED ON: Automobile parking; sale of program books; sale of hay, straw, and other items to participants; and sales of food, souvenirs, and other tangible personal property to attendees..

RETAIL SALES TAX OR USE TAX TO BE PAID ON: Purchase of items and services consumed by the agricultural fair association such as ribbons, trophies, medals, badges, tags, signs, advertising material, banners, pictures, hay and straw, lumber, roofing, painting and carpentry labor, electrical material, fencing, starting gate, and installation of light and power stickers used in connection with operating the agricultural fair..
