

Excise Tax Advisory

Excise Tax Advisories are interpretive statements authorized by RCW 34.05.230.

ETA 3050.2014

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Dump Truck Operators

Scope

This Excise Tax Advisory (ETA) explains the public utility (PUT), business and occupation (B&O), and retail sales tax reporting responsibilities for various services commonly provided by dump truck operators.

Scenario 1 – Sales of fill dirt or top soil (including delivery)

Sales of fill dirt and top soil are subject to the retailing B&O and retail sales taxes if the sale is to a consumer. The wholesaling B&O tax applies if the sale is for resale, provided the seller obtains a copy of a reseller permit from the buyer. See WAC 458-20-102 *Reseller permits*.

Scenario 2 – Contracts for earthmoving

Income from contracts for earthmoving services is subject to tax as follows:

- retailing B&O tax and retail sales tax on general construction projects and on state-owned road projects when done as a prime contractor;
- wholesaling B&O tax on general construction projects and on state-owned road projects when done as a subcontractor and the purchaser provides the subcontractor a reseller permit;
- public road construction B&O tax when done on public road jobs – except state-owned roads; and
- extracting for hire B&O tax when done for logging roads.

Earthmoving service contracts often entail performing activities such as trenching, excavating, back filling, dumping earth, and on-site movement of earth according to requirements of the agreement. The operator is responsible for the performance of the work and the contract has as its purpose the removal or placement of earth.

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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.

Please refer to:

- WAC 458-20-13501 *Timber harvest operations.*
 - WAC 458-20-170 *Constructing and repairing of new or existing buildings or other structures upon real property.*
 - WAC 458-20-171 *Building, repairing or improving streets, roads, etc . . .*
 - WAC 458-20-172 *Clearing land, moving earth, cleaning, fumigating, razing or moving existing buildings, and janitorial services.*
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**Scenario 3 –
Contracts for
hauling for hire**

In *hauling for hire*, the operator’s obligation is limited to performing transportation services, including loading and unloading. Hauling for hire (operating a motor propelled vehicle to convey another’s property for hire) is subject to either the motor or urban transportation classification of the public utility tax. See Scenario 4, however, for information regarding the hauling of construction, demolition, and land clearing debris (CDL)

See WAC 458-20-180 *Motor transportation, urban transportation.*

**Scenario 4 –
Contracts for
collection and
disposal of
debris**

Collection and Disposal of Construction, Demolition, and Land Clearing Debris
The tax consequences of collecting and hauling away construction, demolition, and land clearing debris (CDL), such as concrete, wood, fixtures, roofing, excess dirt, and vegetation from a jobsite, depend upon the circumstances:

- If the CDL is collected primarily for recycling by the operator, the income is subject to service and other activities B&O tax.
- If the operator merely performs hauling for hire services (see Scenario 3) when hauling CDL for recycling, either the motor or urban transportation classification of the public utility tax applies. In this situation, the operator is responsible solely for loading, unloading, and transporting another’s materials to a third-party recycling facility (i.e., the operator does not sort or otherwise handle CDL).
- If the operator hauls CDL for disposal, instead of recycling, the income is subject to the service and other activities B&O tax and the operator must collect the solid waste collection tax.

See the Department’s [Solid Waste Collection/Disposal and Recycling Businesses Guide](#) for additional information.

**Scenario 5 –
Contracts
combining
earthmoving
and hauling or
collection and
disposal of
debris**

In these situations, the operator contracts for a combination of earthmoving (See Scenario 2) with either hauling for hire (See Scenario 3) or collection and disposal of debris (See Scenario 4). Income from the entire contract is taxed based on the predominant activity under the contract or agreement, regardless of whether or not the earthmoving and the hauling/collection/disposal portions are separately stated. This income will generally be subject to tax as follows:

- retailing B&O tax and retail sales tax on general construction projects and on state-owned road projects when done as a prime contractor;
- wholesaling B&O tax on general construction projects and on state-owned road

- projects when done as a subcontractor and the purchaser provides the subcontractor a reseller permit;
 - public road construction B&O tax when done on public road jobs – except state-owned roads; and
 - extracting for hire B&O tax when done for logging roads.
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**Scenario 6 –
Bare rental of
equipment**

Bare truck rentals are generally subject to the retailing B&O and retail sales taxes.

- The rental of a dump truck to a contractor for use by the contractor is a retail transaction.
- Wholesaling B&O tax applies only when the lessee intends to re-rent the equipment (without operator) to another and the lessee provides a reseller permit.

See WAC 458-20-211 *Leases or rentals of tangible personal property, bailments.*

**Scenario 7 –
Rental of truck
with operator**

The rental of a truck with an operator is not taxed as a bare rental of equipment, but rather according to the nature of the activity performed; e.g. hauling for hire (subject to tax under the motor/urban transportation public utility tax) or earth moving (subject to tax as described in Scenario 2).

In this situation, the operator is performing contract services, as distinct from merely renting equipment.

See WAC 458-20-211 *Leases or rentals of tangible personal property, bailments.*
