

Excise Tax Advisory

Excise Tax Advisories are interpretive statements authorized by RCW 34.05.230.

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Airplanes Used on Vessels Engaged in Commercial Deep Sea Fishing Operations

Where an airplane is used with a vessel engaging in commercial deep sea fishing operations for the purposes of locating schools of fish and flying emergency missions to and from the vessel, is its purchase exempt from the retail sales tax?

Assume AR, an airplane retailer, sells an airplane to a CDS commercial deep sea business for use on its fishing vessel. The plane will be used to locate schools of fish and to make emergency trips to and from the boat while it is at sea. CDS furnishes AR with a certificate which states that the plane will be used primarily in deep sea fishing operations outside the territorial waters of Washington. CDS' vessel is equipped with a special cradle to hold the plane and a boom to raise or lower the plane to the water. The plane was equipped with floats.

RCW 82.08.0262 provides an exemption from retail sales tax for purchases of watercraft and their component parts used in commercial deep sea fishing operations outside the territorial waters of Washington. WAC 458-20-176 states in part:

“Watercraft” means every type of floating equipment which is designed for the purpose of carrying therein or therewith fishing gear, fish catch or fishing crews, and used primarily in commercial deep sea fishing operations.

“Component part” includes all tangible personal property which is attached to and a part of a watercraft. It includes dories, gurdies and accessories, bait tanks, baiting tables and turntables. . . .

The plane is either a watercraft or a component part of a watercraft and qualifies for the RCW 82.08.0262 exemption from retail sales tax.

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