

Excise Tax Advisory

Excise Tax Advisories are interpretive statements authorized by RCW 34.05.230.

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Stimulating Wholesale Sales by Promoting Retail Sales

When a wholesaler's in-state representatives promote retail sales of its product in Washington, that activity creates nexus for business and occupation (B&O) tax on the seller's wholesale sales.

For example, Drug Company is an out-of-state business that sells ocular drugs to pharmacies and other retailers. Drug Company does not have a formal office in Washington but has an employee who distributes samples and promotional literature to Washington physicians. The promotion of retail sales in this manner creates sufficient nexus with Washington for Drug Company to be liable for wholesaling B&O tax on its Washington wholesale sales.

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