

Excise Tax Advisory

Excise Tax Advisories are interpretive statements authorized by RCW 34.05.230.

ETA 3195.2020

Issue Date: January 10, 2020

Effective January 1, 2020, the property, payroll, and receipts thresholds in this Excise Tax Advisory no longer apply and are replaced with one cumulative gross receipts threshold of \$100,000. Refer to RCW 82.04.067 for additional information regarding substantial nexus.

Economic Nexus Minimum Thresholds

Introduction	RCW 82.04.067(5) directs the Department of Revenue (“Department”) to review the "substantial nexus thresholds" (thresholds) in RCW 82.04.067 (1)(c)(i) through (iii) each December. When the cumulative percentage change in the consumer price index for all urban consumers (CPI-U) changes by five percent or more from the measurement date, the Department must adjust the thresholds to reflect that cumulative change in the CPI-U. The measurement date is the date the thresholds were last adjusted.
Determining CPI-U Adjustments	When determining the cumulative percentage change in the CPI-U, the Department must compare the CPI-U available as of December 1 of the current year with the consumer price index as of the measurement date. CPI-U data through the month of October is generally the most current data available as of December 1. Adjustments to the thresholds will: <ul style="list-style-type: none">• Be rounded to the nearest one thousand dollars;• Be effective as of January 1 of the year immediately following the most recent annual review of the thresholds; and• Apply to tax periods beginning after the adjustments are made.
Adjusted Substantial Nexus Thresholds	The table below reflects the cumulative percentage change in the CPI-U from the date the thresholds were last adjusted, and lists the adjusted threshold amounts that apply for each calendar year.

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Calendar Year	CPI-U% Change	Time Period Measured	Property Threshold	Payroll Threshold	Receipts Threshold
2010			\$50,000	\$50,000	\$250,000
2011	0.9%	6/1/2010 – 10/31/2010	\$50,000	\$50,000	\$250,000
2012	4.5%	6/1/2010 – 10/31/2011	\$50,000	\$50,000	\$250,000
2013	6.8%	6/1/2010 – 10/31/2012	\$53,000	\$53,000	\$267,000
2014	0.9%	1/1/2013 – 10/31/2013	\$53,000	\$53,000	\$267,000
2015	2.5%	1/1/2013 – 10/31/2014	\$53,000	\$53,000	\$267,000
2016	2.7%	1/1/2013 – 10/31/2015	\$53,000	\$53,000	\$267,000
2017	4.4%	1/1/2013 – 10/31/2016	\$53,000	\$53,000	\$267,000
2018	6.8%	1/1/2013 – 10/31/2017	\$57,000	\$57,000	\$285,000
2019	2.5%	10/31/2017 – 10/31/2018	\$57,000	\$57,000	\$285,000
2020	4.3%	10/31/2017 – 10/31/2019	N/A	N/A	N/A
