

Interim Guidance Statements

Gil Brewer, June 22, 2020



Shared Goals

- Fair and efficient tax collection and administration
- Voluntary compliance
- Transparency

Use of Interim Guidance

- Permanent guidance
 - Rules and ETAs
 - Published in Washington State Register; comment opportunity
 - Other types: WTDs, Special Notices, Tax Topics
- Interim guidance statements
 - No comment period
 - Temporary
 - Website only

Decision Making Process

- A complex tax issue is identified by a Department division
- The Department determines public guidance is needed
- Consideration for the type of vehicle for the public guidance
 - If a rule, ETA, or WTD is not an obvious choice, we consult the [interim guidance chart](#).

Experience with Interim Guidance

- Interim guidance began in 2014
- 13 total interim guidance statements published
- All 13 remain as interim guidance

Review of Interim Guidance Process

- Use of interim guidance under review
- What situations require interim guidance versus permanent guidance?
- When to convert interim guidance to permanent guidance?

Example – Concrete Pumping Services

- Interim guidance on the taxation of concrete pumping services issued in 2019
- The Department had 2 pieces of existing guidance that addressed the issue, but they conflicted: WAC 458-20-211 and a Construction industry guide
- The conflict created uncertainty to buyers and sellers in the industry; they needed immediate guidance to resolve the conflict and complete transactions.
- We used interim guidance because of the uncertainty among taxpayers and because we needed to get guidance out as quickly as possible.

Example – Bitcoin

- No preexisting guidance
- Taxpayer inquiries (and internal inquiries) rose sharply and suddenly
- Interim guidance was ideal because it was fast and not permanent

Where we go from here

- DOR continues to evaluate the best ways to get information out to businesses
- DOR will continue use of interim guidance statements
- Implement process to make interim guidance permanent, as appropriate



Questions?