



Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

JUNE 26, 2008

Trail Grooming – Sales Tax Exemption

Beginning July 1, 2008, purchases of trail grooming services by the state of Washington and nonprofit corporations organized under chapter 24.03 RCW are exempt from retail sales tax.

Trail grooming services

“Trail grooming” means the activity of snow compacting, snow redistribution or snow removal on state or privately-owned trails.

Documentation requirements

To document the sales tax exempt nature of the transaction, the seller may accept a properly completed *Buyers' Retail Sales Tax Exemption Certificate* from a state agency or nonprofit organization that purchases the trail grooming services. The exemption certificate is available at dor.wa.gov.

Seller's tax reporting responsibility

The seller must report gross income from providing trail grooming services under both the retailing business and occupation (B&O) tax and the retail sales tax:

- on the retail sales tax line, the amount of the exempt sale is deducted
- on the deduction detail pages, the deduction is identified under “other” as trail grooming services

Please note: there is no comparable retailing B&O tax deduction.

If you need assistance or have questions, please contact the Telephone Information Center at 360-705-6705.

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