



Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

JULY 2, 2009

Sales Tax Sourcing for Direct Mail Sellers

Substitute Senate Bill (SSB) 5566 (chapter 289, Laws of 2009) changes the sourcing rules for direct mail sellers, when the direct mail both originates and is delivered within Washington. The change eliminates the requirement that, in certain circumstances, sales tax must be collected based on the delivery location of direct mail in Washington. In most cases, direct mail sellers have not been required to collect based on the delivery location in Washington. SSB 5566 does not change the sourcing rules for direct mail that is delivered into Washington from outside the state.

“Source,” “sourced,” or “sourcing” refers to the location (as in a local taxing district, jurisdiction, or authority) whose local sales tax is collected on a particular transaction.

If the purchaser provides the seller with a direct pay permit or a Streamlined Sales and Use Tax Agreement (SSUTA) Certificate of Exemption claiming “direct mail,” the seller is not required to collect sales tax. When the purchaser provides the seller with such documentation, the purchaser accepts responsibility for remitting tax directly to the Department.

Intrastate sales of direct mail

Effective July 26, 2009, unless the purchaser provides a direct pay permit or SSUTA exemption certificate claiming “direct mail,” sellers of direct mail originating in Washington and delivered to another location within Washington collect sales tax based on the address from which the direct mail is shipped. This is typically the seller’s location. This is not a change in most cases.

Sales of direct mail delivered outside Washington

If the seller can document that any portion of the direct mail is delivered outside Washington, the seller is not required to collect Washington’s sales tax on that portion.

Interstate sales of direct mail delivered into Washington

The law change does not affect the sourcing of direct mail that is delivered into Washington from outside the state.

Direct mail includes:

- Printed material delivered or distributed via United States mail or other delivery service by the seller to a mass audience or to addressees on a mailing list provided by the purchaser or at the direction of the purchaser. (The cost of the printed material cannot be billed to the recipients.)
- Tangible personal property (e.g., a sample) supplied directly or indirectly by the purchaser to the seller to be included in the package with the printed material.

Direct mail does not include:

- Multiple items of printed material delivered to a single address.
- Publications such as magazines or periodicals that are mailed to subscribers charged for the publications that they receive.

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What types of businesses are eligible for the “direct mail” treatment?

Businesses are eligible for the direct mail treatment if they sell printed materials and are responsible for its delivery or distribution to a mass audience using a mailing list provided by the purchaser or at the direction of the purchaser.