

Special Notice

Intended audience: Public road contractors who manufacture or extract asphalt or aggregates.

July 19, 2023

Valuing asphalt and aggregates used in public road construction

What's new?

Effective August 1, 2023, there is a new method for valuing asphalt and aggregates manufactured or extracted by a public road contractor and then used by the contractor in a public road construction project taxable under RCW 82.04.280(1)(b).

How do I determine the value of asphalt or aggregates?

The value of asphalt or aggregates is equal to the sum of all direct and indirect costs attributable to the asphalt or aggregates used, plus a public road construction market adjustment of 5% of those costs.

Do I need to recalculate the value of asphalt or aggregates if I enter into a contract prior to August 1, 2023, but use the materials after that date?

No. The new valuation method only applies to contracts executed on or after August 1, 2023.

More information

[Substitute House Bill \(SHB\) 1764 Chapter 307, Laws of 2023.](#)

Questions?

If you have questions or need additional information, please email Rulings@dor.wa.gov or call our Telephone Information Center at 360-705-6705.