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BEFORE THE ADMINISTRATIVE REVIEW AND HEARINGS DIVISION  
DEPARTMENT OF REVENUE  
STATE OF WASHINGTON

In the Matter of the Petition for Administrative	)	<u>D E T E R M I N A T I O N</u>
Review of Tax Ruling	)	
	)	No. 16-0231
	)	
...	)	Registration No. . . .
	)	

RCW 82.04.050(3): RETAIL SALES - DATING SERVICES. Retail sales include the sale of or charge made for personal services, such as dating services. Taxpayer’s services constitute dating services because they are designed to bring strangers together who are seeking romantic partners or friends.

Headnotes are provided as a convenience for the reader and are not in any way a part of the decision or in any way to be used in construing or interpreting this Determination.

Danyo, J ,– TPS 4. An out-of-state company (Taxpayer) disagrees with the Tax Ruling it received from the Department of Revenue (Department), informing Taxpayer that it provides a dating service, which is a retail business activity subject to Washington’s Retailing Business and Occupation (B&O) tax under RCW 82.04.050(3), and that it must charge retail sales tax on the charges its Washington customers pay for that service under RCW 82.08.020. We affirm the Tax Ruling.<sup>1</sup>

ISSUE

Whether Taxpayer is a dating service under RCW 82.04.050(3).

FINDINGS OF FACT

Taxpayer requested a ruling from the Department’s Taxpayer Information and Education (TI&E) unit on the correct classification of its activities for B&O tax purposes. Taxpayer described its activities as follows:

Our business model is that of a networking event business as opposed to a dating service. . . . [W]e are not match-makers, nor are we an online dating company. Instead, we host monthly networking events for local people to meet one another at local establishments in [Washington].

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<sup>1</sup> Identifying details regarding the taxpayer and the assessment have been redacted pursuant to RCW 82.32.410.

TI&E responded on May 6, 2015:

Based on the information from your email and your website your speed dating services fall within the definition of a “dating service”.... Therefore, your charges to customers in Washington are subject to retail sales tax. Additionally, that same income is subject to the Retailing classification of the state business and occupation (B&O) tax.

Taxpayer petitioned for an administrative review of the ruling claiming it is not a dating service but an event planner. . . . Taxpayer operates a website that allows individuals to register for scheduled speed dating events held in several cities throughout the United States and Canada, including . . . . The website provides a calendar of dates and locations. According to the website, there is no on-site registration. Anyone wishing to attend one of these events must pre-register and pay the fee. According to the website, the pre-registration is to ensure equal numbers of men and women. The cost of attendance ranges from \$ . . . - \$ . . . . These events are hosted by local coordinators (individuals who either volunteer or are paid) on Taxpayer’s behalf, and are generally held in local restaurants and bars. Sometimes drinks and appetizers are included. Generally, Taxpayer does not rent the space, but rather, selects a venue where the group can be separated from the rest of the establishment’s patrons and can proceed with the program, as organized by Taxpayer’s coordinators. The coordinators hand out name badges, match sheet scorecards, and generally move the guests through the process of meeting each other in a series of one-on-one conversations.

Taxpayer’s website describes its speed dating events as providing a safe venue where professional singles can meet other professional singles [in a speed dating format]. During the session, each guest enters notes on the match sheet scorecards regarding the other guests they meet. At the end of the session, each guest completes the match sheet scorecards indicating whom they would like to meet again. The guests enter the information directly onto Taxpayer’s website. Within 24 hours, Taxpayer emails each guest a list of other guests who would like to hear from them again. According to the website, once that information is imparted, it is up to the individual to follow up; but the website also states that the participant’s [odds of a personal relationship are increased because of the speed dating].

Taxpayer does not charge a membership fee; only the registration fee. There are no pre-screened or shared profiles. Taxpayer posts the dates and locations of the events, registers the guests, processes the payments and coordinates the evening’s event. Individuals who are interested in attending select a date and venue, and register to attend. At the end of the event, Taxpayer reviews the match sheet scorecards and provides guests with follow up information.

#### ANALYSIS

RCW 82.04.050(3)(f) states: The term "sale at retail" or "retail sale" includes

the sale of or charge made for personal, business, or professional services including amounts designated as interest, rents, fees, admission, and other service emoluments however designated, received by persons engaging in the following business activities:

(f) The following personal services: Tanning salon services, tattoo parlor services, steam bath services, turkish bath services, escort services, and dating services; ...

The term “dating” services is not defined in the statute and so “it must be given its ‘usual and ordinary’ meaning which can be found in dictionaries.” 26 WTD 169, 173 (2007) (citing *Port of Seattle v. Dep’t of Revenue*, 101 Wn. App. 106, 1 P.3d 607 (2000)). The Department has previously held that the usual and ordinary meaning of the term is “an organization that arranges introductions (for a fee) for strangers seeking romantic partners or friends.” 32 WTD 174 (September 9, 2013).

Taxpayer claims it is not a dating service because it does not charge its customers a fee for meeting others seeking romantic partners, but for planning the events that create the opportunity to meet other people in a safe and fun venue. Although Taxpayer may claim otherwise, its match sheet scorecards and its website content clearly illustrate that Taxpayer “is an organization that arranges introductions (for a fee) for strangers seeking romantic partners or friends” and its customers are paying for this service.

The speed dating format is the means Taxpayer uses to introduce strangers who share a common goal of finding potential romantic partners or potential friends. All of Taxpayer’s services, locating the venues, scheduling the events, providing the coordinators to facilitate the speed dating, reviewing the scorecards, and contacting the guests with information regarding the results of the speed dating experience, are designed to bring strangers together who are seeking romantic partners or friends. Taxpayer charges, and guests are willing to pay, a fee because they are seeking a romantic partner or potential friends. They are not paying for Taxpayer to organize an event. Under these facts, we find Taxpayer charges its customers for the opportunity to meet other people who want to meet other people for the purpose of developing personal, hopefully romantic, relationships. The speed dating experience is solely for this purpose. We conclude Taxpayer is providing a dating service and its charges to its customers in Washington are subject to retailing B&O tax and retail sales tax.

#### DECISION AND DISPOSITION

We affirm the TI&E Tax Ruling of May 6, 2015.

Dated this 20th day of July 2016.