

# ESSB 5814 Listening Session and Survey Feedback Report

July 2025



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## ABOUT THIS REPORT

This report summarizes feedback shared by participants during a series of public listening sessions and through survey responses. It captures key themes, sample comments, and common questions raised by session attendees and survey respondents.

**This report reflects what was heard** and does not represent official guidance, legal interpretation, or the views of the Department of Revenue (Revenue).

### PARTICIPATION DATA

This report also includes attendance information and the optional, self-reported survey data on organizational size, business sector, and business certification type. This data provides helpful context for understanding the diversity of perspectives represented in the listening session and survey responses.

### PRIVACY

No personally identifying information is included in this report. All comments are summarized or quoted without attribution.

## BACKGROUND

The 2025 Washington State Legislature passed [Engrossed Substitute Senate Bill \(ESSB\) 5814](#), which added new business activities to the definition of retail sales. As a result, sellers will be required to begin collecting sales tax on the following services starting October 1, 2025:

- Advertising services.
- Live presentations.
- Information technology services.
- Custom website development services.
- Investigation, security, and armored car services.
- Temporary staffing services.
- Sales of custom software and customization of prewritten software.

ESSB 5814 also removes the following exclusions from the definition of digital automated services (DAS):

- Services involving primarily human effort.
- Live presentations.
- Advertising services.
- Data processing services.

The bill also created a new exclusion to DAS for “telehealth” and “telemedicine services.”

The Department of Revenue (Revenue) is developing and publishing interim guidance in advance of the effective date. As part of this accelerated implementation process, Revenue hosted a series of listening sessions in July 2025 and distributed an anonymous feedback survey to gather input from affected businesses and interested parties. The listening sessions and survey were designed to collect feedback on the same key issues and topics.

## LISTENING SESSIONS

Revenue hosted 10 listening sessions to engage the public on the upcoming changes made by ESSB 5814. The purpose of each session was to:

- (1) Clarify the issues the Department is currently aware of and actively working to address.
- (2) Gather proposed interpretations of the bill language or feedback on the identified issues.

(3) Identify any additional issues that may warrant future guidance.

During each listening session, participants were encouraged to share input both verbally and through the meeting chat. While sessions were not recorded, they were transcribed for analysis and summary.

Across all listening sessions, there were representatives from over **259 organizations** spanning businesses, local governments, and non-profit organizations. Providing organizational information during registration was optional. Attendees could choose whether to share their organization when signing up for a listening session.

Topic	# Registered*	# Attended	% Attended
Temporary Staffing (2 sessions)	192	131	68%
Advertising (2 sessions)	196	136	69%
Live Presentations (2 sessions)	193	117	61%
IT Services and Website Development	99	63	64%
Custom Software and Customization of Prewritten Software	97	64	66%
Investigations and Security	94	56	60%
DAS Exclusions	102	66	65%
<b>TOTAL</b>	<b>973</b>	<b>633</b>	<b>65%</b>

\* Although each listening session was capped at 100 registrants, the final registration numbers varied slightly. In some cases, cancellations led to lower total registration numbers, while one session slightly exceeded the cap to accommodate additional agency staff.

## ESSB 5814 FEEDBACK SURVEY

The survey was intentionally designed to collect input aligned with the listening session's approach. It included the same core topics and questions discussed during the event, allowing participants to provide feedback in writing—either as a supplement to their attendance or as an alternative way to engage.

We received **478 complete surveys** in total. The surveys were anonymous and did not collect any personally identifying information. Respondents had the option to answer questions about their organization's size, industry or business sector, and any applicable business certifications. These questions were included to help contextualize feedback but were not required for submission. Comments from partial survey submissions were also reviewed. While these "partials" were not included in the quantitative data analysis, their written comments were considered in the analysis of key themes.

# TEMPORARY STAFFING

## OVERVIEW

Revenue hosted two public listening sessions for temporary staffing services in July 2025. These sessions were designed to hear directly from interested parties, including businesses, tax professionals, and advocacy organizations about their questions, concerns, and ideas. The feedback gathered will help inform how Revenue interprets and implements the law. Sessions focused on open dialogue, with the goal of shaping guidance that reflects the law’s intent while balancing clarity, fairness, and practical application.

Date	# Registered	# Attended	% Attended
July 22, 2025, 9:00 AM	96	67	70%
July 23, 2025, 1:00 PM	96	64	67%
Total	192	131	68%

## Listening Session Attendees

In the two July listening sessions for Temporary Staffing services, there were representatives from over **108 organizations** spanning businesses, local governments, and non-profit organizations.

**Note:** Providing organizational information during registration was optional. Attendees could choose whether to share their organization when signing up for a listening session.

## Survey Responses

We received **89 complete surveys** with feedback on Temporary Staffing Services. The surveys were anonymous and did not collect any personally identifying information. Respondents had the option to answer questions about their organization’s size, industry or business sector, and any applicable business certifications. These questions were included to help contextualize feedback but were not required for submission.

## GENERAL FEEDBACK

The following section summarizes the comments, questions, and responses submitted through the ESSB 5814 survey and listening sessions in response to the question: 'What issues would you like to raise, and how should the law apply to your business activities?'

### Impact concerns and overall frustration

Respondents were concerned with over-taxation and the impact on small businesses, sole proprietors, and rural and agricultural operations. Many expressed that this tax would negatively impact their business. Respondents also expressed frustration with Washington's tax structure and past policy decisions as well as complexity and administrative burden. Sample comments:

- "This will likely drive me out of business."
- "Stop taxing everything."
- "We now hire out-of-state through agencies to avoid compliance burden."

### Impact on specific scenarios and industries

The following industries were mentioned by respondents:

- Farm labor and agriculture
- Event staffing
- Professional consultants (accounting, leadership, start-up)
- Travel and hotel
- Healthcare staffing (dental offices)
- Schools/school districts
- Interim placements



## THEMES ON KNOWN ISSUES

The following sections summarize the comments, questions, and responses received from the ESSB 5814 survey and listening sessions regarding the known issues and questions.

### Known Issue #1: What is included in temporary staffing services?

#### Request for clear definition


Respondents indicated that they wanted clarification on what qualifies as “temporary staffing services”, if project-based, event-specific, or gig-based roles apply, and what constitutes “temporary” in terms of duration and relationship. Some respondents indicated that it would be helpful if staffing types were distinguished (for example, temp vs. direct hire, CPA firms, and event staff). Sample comments:

- “Please define what types of temporary staffing this applies to.”
- “What time period is temporary? And why tax it?”
- “Is this only services sold by temp staffing agencies or does it include part time employees, seasonal employees, contractors?”
- “Does this apply to 1099 independent contractors?”

#### Recommendation to narrow definition

Respondents requested that Revenue narrow the definition of staffing services to:

- Include:
  - A staffing agency pays and manages the worker
  - The client business directs the work
  - The role is temporary and gap-filling
- Exclude:
  - Independent contractors
  - Consultants
  - Permanent placements fees
  - Nonprofit or volunteer roles
- Sample comments:
  - “Should not include: consultants offering specialized expertise not under the direction of the client...”
  - “Do not include headhunter or conversion fees.”

- 
- “Providing long-term contracted services... is not temporary.”

### **Interpretation on how the tax would apply**

Some respondents shared that sales tax should apply only to the staffing service fee and not the cost of the employee’s labor. There was also confusion over whether the tax applies to the markup, total bill, or wages. Respondents also suggested that they align with B&O classifications or 1099 issuance. Sample comment: “Tax should only apply to the service of providing staffing, not to the hourly labor performed.”

### **Clarification requested regarding Rule 111, Paymaster, and Reseller Permits**

Respondents expressed that they were unclear on the application of Rule 111. They also had questions on employer-of-record/paymaster models and reseller permits. Sample comments:

- “Can we use a reseller permit?”
- “Employer of record—how does ETA guidance apply?”
- “Manufacturers hiring temp staff—can they claim exemptions?”

## Known issue #2: Can a business selling temporary staffing services deduct its temporary employee cost from the taxable selling price?

### Request for clarity and implementation questions

Respondents expressed confusion over terminology (for example “taxable selling price”) and requested examples to guide understanding. They also expressed uncertainty around how the deduction would work in practice, especially regarding invoicing, documentation, or how it interacts with reseller permits on tax classification. Sample comments:

- “How would this be shown on client invoices?”
- “Will a resale certificate be issued?”
- “What is considered sufficient documentation of reselling?”
- “If we rebill staffing, can we provide a reseller permit to the provider?”
- “How does this apply to payroll companies vs. staffing agencies?”
- “Will the DOR include a safe harbor markup rate?”

### Support for deductions

Many respondents believe staffing firms should be able to deduct wages, benefits, and payroll taxes from the taxable base. Respondents advocated for allowing deductions on wages, benefits, and payroll taxes due to:

- Double/Triple Taxation: Taxing labor at payroll, B&O, and then again under retail sales tax.
- Pass-through Costs: Labor is not value-added service—it’s a cost passed on to clients.
- Disincentivizes Staffing: Especially harms nonprofits, healthcare, and small businesses.
- Economic Pressure: Increases business costs, lowers competitiveness.
- Comparison to other states like Pennsylvania.

Sample comments:

- “This creates a disincentive to use staffing agencies...”
- “Temporary staffing companies should be able to deduct wages and employment taxes...”
- “Permit a cost-of-labor deduction like input costs in other industries.”
- “Wages are already taxed—don’t tax them again through sales tax.”

## **Known issue #3: How should the location of the sale of staffing services be determined?**

### **Primary Sourcing Principle: Where Work Is Performed / Benefit Is Received**

Respondents supported sourcing based on where the worker performs the service or where the customer receives the benefit. Some respondents also advocated that guidance should reflect current sourcing rules under RCW 82.32.730. They cited terms including: “first use,” “benefit received,” “place of performance,” and “customer location.” Some respondents acknowledged remote and hybrid work complicates this. Sample comments:

- “Sales tax collection should be based on the location where the customer receives the service.”
- “Use a destination-based approach tied to where the labor is actually provided or where the benefit is realized.”

### **Concerns about complexity and administrative burden**

Commenters expressed concern about tracking multiple locations, hybrid scenarios, and local sales tax rate differences. Comments also describe burdensome recordkeeping in mobile or remote staffing models and a desire for reasonable allocation methods in cases of multi-location staffing. Sample comments:

- “It is confusing to have so many rates... how do you keep track of that and charge properly?”  
“This is multi-faceted and will be cumbersome given the remote work environment...”
- Need clarity on ‘receipt,’ ‘first use,’ and fallback sourcing methods.

### **Ambiguity between “staffing” and “consulting”**

Some commenters raised the issue of defining “temporary staffing” vs. consulting or skilled contract labor. They also raised additional questions whether certain project-based or independent work qualifies as staffing at all. Sample comments:

- “Department needs to better define temporary staffing. Many of us provide employees on a contract to complete a scope of work, as independent, skilled consultant. Where do we draw the line between what is temporary staffing and consulting?”
- “Staff augmentation – there are companies that provide all kinds of services – hire to provide roles...When is it consulting vs temporary staffing.”

# ADVERTISING

## OVERVIEW

Revenue hosted two public listening sessions for advertising services in July 2025. These sessions were designed to hear directly from interested parties, including businesses, tax professionals, and advocacy organizations about their questions, concerns, and ideas. The feedback gathered will help inform how Revenue interprets and implements the law. Sessions focused on open dialogue, with the goal of shaping guidance that reflects the law’s intent while balancing clarity, fairness, and practical application.

Date	# Registered	# Attendees	% Attended
July 22, 2025, 2:00 PM	97	65	67%
July 24, 2025, 9:00 AM	99	71	72%
Total	196	136	69%

## Listening Session Attendees

In the two July listening sessions for Advertising services, there were representatives from over **120 organizations** spanning businesses, local governments, and non-profit organizations.

**Note:** Providing organizational information during registration was optional. Attendees could choose whether to share their organization when signing up for a listening session.

## Survey Responses

We received **72 complete surveys** with feedback on Advertising Services. The surveys were anonymous and did not collect any personally identifying information. Respondents had the option to answer questions about their organization’s size, industry or business sector, and any applicable business certifications. These questions were included to help contextualize feedback but were not required for submission.

## GENERAL FEEDBACK

The following section summarizes the comments, questions, and responses submitted through the ESSB 5814 survey and listening sessions in response to the question: 'What issues would you like to raise, and how should the law apply to your business activities?'

### Impact and competitive disadvantage

Many respondents had concerns about economic harm to Washington-based businesses and competitive disadvantages compared to out-of-state firms. Sample comments:

- "How punitive this is to Washington-based businesses. It makes businesses have to spend much more on online advertising than businesses in other states."
- "This is going to cost Washington media companies business, and will reduce B&O tax flowing into the state due to lost revenues."
- "Many small and female-owned ad agencies could be put out of business."
- "Clients could easily hire an out-of-state contractor and avoid this tax entirely."
- "WA State-based clients can get 10% savings by going with an out-of-state company."

### Sourcing and site confusion

Respondents expressed confusion about how to determine sourcing. Sample comments:

- "We are purchasing the advertising from a WA company, but most of the advertising being used is not in Washington State. I would recommend basing the sales tax on total sales in Washington State."
- "There is ambiguity about how to source advertising services when the campaign benefits multiple locations."
- "How would a creative shop tax their time to develop creative concepts that might work across all channels?"
- "What formula would we use for traditional vs digital? This seems very arbitrary."

### Legality concerns

Some respondents expressed legal concerns and conflict with federal law (ITFA). Sample comments:

- "ESSB 5814 applies sales tax to digital advertising services but exempts newspapers, print, radio, TV, and OOH. This may violate the Internet Tax Freedom Act."
- "Is this even legal under the ITFA?"
- "...the advertising industry becomes increasingly digital, borderless, and competitive, tax policy must evolve to avoid punishing companies for operating here. We respectfully urge the Department and lawmakers to: Reevaluate the application of B&O tax to exported services, particularly where the benefit is clearly received outside Washington (per RCW 82.04.462). Expand access to sourcing exemptions or apportionment methods for electronically delivered work used across multiple jurisdictions."


## Concerns about practical implementation challenges

Several commenters stressed the difficulty of determining ad use locations or audience geography, especially when the work is strategic, creative, or delivered nationally in addition to implementing the tax in short time-frame and on existing contracts. Sample comments:

- "This will be near impossible... dollars are re-allocated constantly and often done algorithmically."
- "It's almost impossible to determine the location of the receipt... we may know the channel but not the geographic location."
- "Digital ad placement is tricky because it can be seen throughout the world."
- "Our channel strategies all work together. Budgets are designed to flow between digital and traditional based on opportunity and performance. If we are to line-item invoice a tax amount, what formula would be use for traditional vs digital?"
- "How would this affect our existing contracts?... We will need to revise existing contracts to include the added expense/charge of sales tax on top of our services, which we may not be able to do, and therefore have to eat the sales tax."

## Pass-through expense versus taxable services

Many commenters emphasized the need to distinguish between advertising agency services and media spend or third-party platform costs (which are pass-through expenses). Sample comments:

- 
- “Clients often reimburse digital advertising agencies for these expenses, and it is a 100% pass-through expense, meaning the digital advertising agencies do not receive a commission from this service.”
  - “Client-designated media budgets used to buy placements should not be taxed as income.”
  - "Media buys are 100% pass-through. Agencies don't take a cut.”
  - “Please recognize this distinction between billable services and pass-through media expenses to ensure taxation is applied fairly and consistently across the advertising industry.”



## THEMES ON KNOWN ISSUES

The following sections summarize the comments, questions, and responses received from the ESSB 5814 survey and listening sessions regarding the known issues and questions.

### **Known Issue #1: How should the location of the sale of advertising services be determined?**

#### **Location of the Advertiser/Buyer**

The sale should be sourced to the advertiser's location, often their billing or business address. Some respondents expressed this option was clearer, more administrable, and consistent with other tax sourcing rules. Sample comments:

- "Based on the buyer's location (billing address)."
- "The business location of the advertiser."
- "The location of the business purchasing the ad."
- "Use the billing address or contracting party's business location — that's what's on the invoice and easiest to document."
- "Same method as digital goods sourcing — to the buyer. Keep it consistent."

#### **Location of the Audience**

The sale should be sourced to where the advertisement is viewed or targeted (the consumer's location). A few respondents mentioned this sourcing option in context of hybrid or hierarchical approach (use buyer-based unless specific audience data is available.) Sample comments:

- "Where the end user views the ad."
- "Location of the person viewing the ad — the market being reached."
- "The audience location, especially for targeted digital ads."
- "If an ad is targeted to customers in Washington, that's where the benefit is — that's where it should be sourced."
- "Digital ads especially should be sourced by where they are delivered or viewed, not who bought them."

#### **Location of the Publisher or Platform**

A few respondents expressed sourcing should be based on where the advertising platform or media outlet is located. Sample comments:

- “Should be sourced to the media company’s office or where the ad is run from.”
- “If the service is delivered from a Washington-based platform, it should be sourced here.”
- “Tax should follow where the ad is being served or published from — not just where the buyer or audience is.”

## **Known issue #2: Is the multiple points of use (MPU) exemption available for electronically transferred advertising services?**

### **Support for the availability of the MPU exemption**

Many respondents supported allowing the MPU exemption for electronically transferred advertising services. Sample comments:

- “Yes, the multiple points of use exemption should be available for electronically delivered advertising services... Without the MPU exemption, businesses would face duplicative tax burdens or inaccurate sourcing...”
- “Allow purchasers to claim the MPU exemption with proper documentation and a reasonable allocation method. This keeps tax application consistent with destination-based principles and avoids over-taxing multijurisdictional activity. Making the MPU exemption available for these services ensures fairness, minimizes compliance challenges, and better reflects the nature of modern advertising.”
- “Yes, it should be available, and businesses should have clear guidance on how to apply it.”
- “We believe it should be available when advertising is not geographically limited to a region wholly in Washington.”
- “This is the logical interpretation of the legislature’s decision to repeal the ‘advertising services’ exclusion from DAS.”

### **Clear guidance and simplified process**

Respondents expressed the need for clarity, simplicity, and small business friendly procedures. Sample comments:

- “There needs to be a simplified formula for calculating this...”
- “Please consider creating a simple, small-business-friendly process for allocating these services across states...”
- “Most providers don’t have systems that would allow them to assess tax at that detailed level.”

## **Suggestions for alternate solutions or modifications**

Some respondents proposed alternative thresholds, exemptions, or interpretations to make MPU more workable. Sample comments:

- “Use a gross revenue threshold — apply only to ad agencies over \$50 million.”
- “Perhaps use cookie data or click-through data to estimate jurisdictional use.”
- “An exemption may be key in all this.”
- “If the ad is geo-targeted to WA, tax it. If it’s national, use MPU or client address.”

## **Frustration with jargon and confusion about MPU exemption in general**

Several respondents did not understand the question or found it overly technical. Sample comments:

- “Not sure what this is.”
- “I don't understand this question.”
- “Please communicate with less jargon.”

## **Known issue #3: Should Revenue consider allowing businesses to use a direct pay permit to pay their sales tax?**

### **Support for Direct Pay Permits (DPPs)**

Many respondents supported allowing DPPs to improve compliance, reduce administrative burden, and assign tax liability – especially for more complex multi-state or multiservice type transactions. Sample comments:

- “A direct pay permit would reduce administrative burden... and allow businesses to self-manage their tax obligations in complex scenarios.”
- “This improves compliance, simplifies transactions, and avoids improper taxation by third-party vendors unfamiliar with Washington's tax code.”
- “We would support the use of a direct pay permit... agencies are best positioned to know where they deliver their advertising.”
- “Yes. For organizations like ours that receive grant funding and manage multi-county initiatives, a direct pay permit would simplify compliance...”



### Limited or conditional support for DPPs

Some respondents agreed with DPPs in principle but expressed concerns or preferred limited application for large businesses. Sample comments:

- “If this takes the onerous responsibility off small ad agencies, then yes it's a good idea.”
- “Yes, especially for large organizations... This won't apply to us at the moment.”
- “Please provide clear thresholds, eligibility criteria, and examples that would make it accessible to small and mid-sized businesses.”

### Confusion about how DPPs work

Several respondents were uncertain how DPPs work or whether they apply to their businesses.

- “Not sure if a direct pay permit would be very helpful to me.”
- “I've read the Direct Pay Permit page, and I can't begin to think of how to answer this question...”
- “Not sure this applies to us and/or this maybe something our CPA already handles.”
- “Can you provide an example of what an advertising/marketing firm like mine would purchase to make this applicable?”

# LIVE PRESENTATIONS

## OVERVIEW

Revenue hosted two public listening sessions for live presentations in July 2025. These sessions were designed to hear directly from interested parties, including businesses, tax professionals, and advocacy organizations about their questions, concerns, and ideas. The feedback gathered will help inform how Revenue interprets and implements the law. Sessions focused on open dialogue, with the goal of shaping guidance that reflects the law’s intent while balancing clarity, fairness, and practical application.

Date	# Registered	# Attendees	% Attended
July 23, 2025, 10:00 AM	96	63	66%
July 24, 2025, 2:00 PM	97	54	56%
Total	193	117	61%

## Listening Session Attendees

In the two July listening sessions for Live Presentations, there were representatives from over **101 organizations** spanning businesses, local governments, and non-profit organizations.

**Note:** Providing organizational information during registration was optional. Attendees could choose whether to share their organization when signing up for a listening session.

## Survey Responses

We received **87 complete surveys** with feedback on Live Presentations. The surveys were anonymous and did not collect any personally identifying information. Respondents had the option to answer questions about their organization’s size, industry or business sector, and any applicable business certifications. These questions were included to help contextualize feedback but were not required for submission.

## GENERAL FEEDBACK

The following section summarizes the comments, questions, and responses submitted through the ESSB 5814 survey and listening sessions in response to the question: 'What issues would you like to raise, and how should the law apply to your business activities?'

### Location and delivery questions

Commenters raised detailed questions about sourcing rules and delivery methods. Sample comments:

- “If a presenter is located in WA but the audience is out-of-state (or mixed), what portion is taxable?”
- “If the event is virtual, does the audience's location determine taxability?”
- “Are webinars or recorded content taxable if free to attend but later offered as part of a paid membership?”
- “Would online religious services or stipends paid for nonprofit presentations trigger tax liability?”

### Economic impact and call for thresholds

Respondents expressed concerns about affordability, revenue loss, and fairness for small providers.

- “Most of my audience can’t afford higher fees. If I have to raise prices to cover tax, they’ll stop coming. And then I lose income too.”
- “There should be a minimum revenue threshold—maybe \$100,000/year—so micro-businesses aren’t forced to collect tax on top of everything else.”
- Non-profits?

### Uncertainty around recorded content and future use

Respondents had confusion around whether recorded live presentations sold after the fact count as resale of the original service or as taxable digital goods. Sample comments:

- “If I record a Zoom workshop and sell it later, is that a resale of the live event or something new?”
- “Many of our live trainings are recorded for later viewing. Are those resale of the original presentation or something else?”
- “The nonprofit records the presentation so members who couldn’t attend live can watch later. It might be free for members or a small fee for others.”

## Need for clarity, simplicity, and practicality

Respondents called for precise, narrow definitions of what qualifies as a taxable live presentation, along with clear exclusions for education, professional development, and compliance training. Many respondents also found the concept of “audience” vague and called for clear, simple guidance that reflects real-world settings. Some provided draft definitions or criteria Revenue might use to operationalize the term “audience.” Sample comments:

- “Audience should be defined as ‘the general public,’ rather than a closed audience of professionals.”
- “Define audience as those who are present in real time for the purpose of entertainment or personal enrichment—not professional development.”

## Disproportionate impact on nonprofits and mission-driven entities and the communities they serve

Commenters from nonprofit and public service organizations emphasized that their educational programming is already subsidized and shouldn’t be treated like commercial activity. Sample comments:

- “Nonprofits should not be required to pay tax on live instruction.”
- “Classes that support mental health and wellness shouldn’t be taxed.”
- “We rely on small program fees to sustain services—adding tax will hurt us and our clients.”
- “...at-risk populations (particularly seniors, low-income, and disabled persons), these populations should not be taxed on informational services and tools they must often pay for to protect themselves from recognized vulnerabilities.”

## THEMES ON KNOWN ISSUES

The following sections summarize the comments, questions, and responses received from the ESSB 5814 survey and listening sessions regarding the known issues and questions.

### Known Issue #1: What is included in live presentations?

#### Support for Education Exemption

Many participants urged the state to exempt educational instruction from taxation under ESSB 5814. They emphasized the non-commercial, public benefit nature of arts, science, trade, and academic education and taxing educational presentations would disincentivize instructors from offering free or low-cost learning opportunities, especially in underserved communities. Sample comments:


- “As an artist and science communicator, if educational presentations are taxed, I’ll have to absorb the extra 10% myself. That would make it hard to continue offering free art education to kids and adults who need it.”
- “Education should not be taxed—plain and simple. We’re already struggling with costs of living and health care. This just makes it worse.”

#### Education does not equal entertainment

Commenters expressed the need to clearly distinguish between education and entertainment. They recommended:

- Defining “live presentations” narrowly to apply only to events where the primary purpose is entertainment, such as concerts or comedy shows.
- Excluding educational activities like college lectures, guest speakers, continuing education, and professional development—even if a fee is charged.
- Not taxing school concerts, religious instruction, trade license prep, or educational webinars.
- Several commenters flagged concern that overly broad definitions of “live presentation” could unintentionally subject college tuition or school fees to sales tax.
- Sample comments:
  - “College lectures, continuing education, and preschool storytelling are not the same as concerts or comedy shows. Grouping them together is absurd and harmful.”



- 
- “Live presentations should mean events for general public entertainment—like theater or music shows—not professional development or training.”

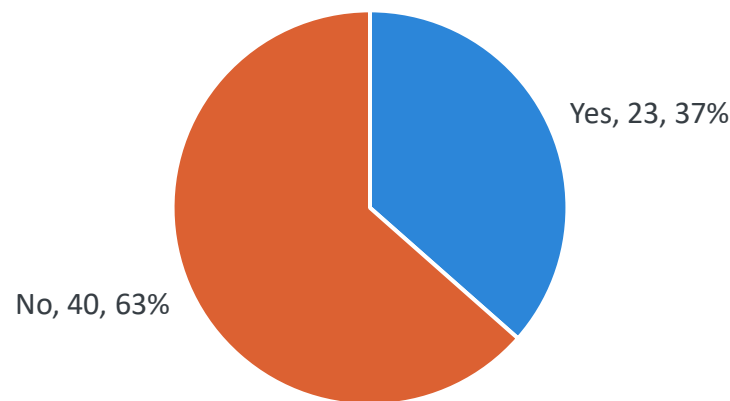
### **Conference and professional development uncertainty**

Commenters questioned whether professional events and required continuing education (CPE) were taxable. Sample comments:

- “Are conference registration fees now going to have a sales tax line added because of the presentations offered?”
- “Our association offers live webinars and workshops for continuing education credit, which are required for professional licensure. These events are already cost-sensitive for participants. Taxing them not only increases costs but could discourage participation and harm workforce quality.”
- “We provide virtual CE courses to participants across the U.S. How do we determine tax liability when a conference registrant is in Oregon, the instructor is in Washington, and the hosting platform is headquartered elsewhere?”

## Known issue #2: Can live presentations be purchased for resale? If yes, under what conditions?

Survey Responses: Can live presentations be purchased for resale?




Value	Number of responses	Percent
Yes	23	37%
No	40	63%
TOTAL	63	

### Presentations can be purchased for resale under specific conditions

Commenters indicated the live presentations can be purchased for resale, particularly when one party pays a presenter and then charges others for attendance or access.

Sample comments:

- “If a presentation is being purchased by an organization that will later charge for admission, it should be considered resale.”
- “I teach classes for yarn shops. They pay me, then resell seats to students. They should handle sales tax, not me.”
- “Just like a widget, the end user is responsible for sales tax. If I hire Bob to teach a first aid class and then charge students, the students pay sales tax on the class fee.”
- “Live presentations could be purchased for resale without collecting retail sales tax if there is no real-time Q&A or engagement with the presenter on



the recording at the time the purchaser is watching/listening to the presentation. This would be very difficult to monitor and should therefore not be part of tax collection.”

### **Complex situations**

Some commenters described resale situations including internal resales, educational arrangements, and subsidized events. Sample comments:

- “We run cooking classes for corporate team building. A large company might want to resell it internally to different employee groups.”
- “We provide educational programs for schools and families enrolled in ALE programs. Sometimes it’s via the school, sometimes via parents. Is that resale?”

## Known issue #3: How should Revenue define the term “audience”?

### Differentiate between entertainment, education, and professional audiences

Many commenters emphasized that audiences attending for entertainment (for example concerts or plays) should be treated differently from those participating in educational, professional, civic, or religious contexts. Commenters asked Revenue to take a narrow, careful approach that aligns with legislative intent. Sample comments:

- “There needs to be a distinction between an entertainment audience... and a professional audience (conferences, symposiums, lectures, training, etc.).”
- “Students and professionals are active participants, not passive spectators. Don’t treat learning like going to a show.”
- “Exclude internal staff, members, or closed professional groups participating in trainings, compliance briefings, or strategy meetings.”
- “Not every attendee is part of a taxable event—caregivers, interpreters, and support staff should not count.”

### Do not include active engagement and learning contexts

Numerous responses indicated that “audience” should not include active learners, especially when instruction is the primary purpose. Sample comments:

- “In educational settings, attendees are students or trainees... not ‘audience members.’”
- “Audience should be defined as people passively consuming content, not those actively participating in training or learning.”
- “Participants of a school-sanctioned learning program should not be considered part of a taxable audience.”

### Payment status does not define the audience

Several commenters warned against defining “audience” based solely on payment status (context and purpose must be considered). Sample comments:

- “The audience is paying for the presentation, but that doesn’t make it taxable by default.”
- “Revenue should define the minimum number of participants... but some events aren’t ticketed, so how do you track?”
- “Audience can be one person or many. In a virtual event, one log-in might represent several people.”

# DIGITAL AUTOMATED SERVICES

## OVERVIEW

Revenue hosted a public listening session for Digital Automated Services (DAS) Exclusion Modifications in July 2025. This session was designed to hear directly from interested parties, including businesses, tax professionals, and advocacy organizations about their questions, concerns, and ideas. The feedback gathered will help inform how Revenue interprets and implements the law. This session focused on open dialogue, with the goal of shaping guidance that reflects the law’s intent while balancing clarity, fairness, and practical application.

Date	# Registered	# Attendees	% Attended
July 29, 2025, 10:00 AM	102	66	65%

## Listening Session Attendees

In the two July listening sessions for DAS exclusions, there were representatives from over **54 organizations** spanning businesses, local governments, and non-profit organizations.

**Note:** Providing organizational information during registration was optional. Attendees could choose whether to share their organization when signing up for a listening session.

## Survey Responses

We received **254 complete surveys** with feedback on DAS Exclusions. The surveys were anonymous and did not collect any personally identifying information. Respondents had the option to answer questions about their organization’s size, industry or business sector, and any applicable business certifications. These questions were included to help contextualize feedback but were not required for submission.

## GENERAL FEEDBACK

The following section summarizes the comments, questions, and responses submitted through the ESSB 5814 survey and listening sessions in response to the question: 'What issues would you like to raise, and how should the law apply to your business activities?'

### Cost Burden and Competitive Disadvantage

Comments expressed concerns about the cost, pricing impacts, and the administrative burden on small businesses. Some respondents emphasized that applying sales tax to professional services would impose additional costs on clients, especially small businesses and lower-income individuals. Sample comments:

- “This creates an uneven playing field—out-of-state providers or those not subject to this rule will have a pricing edge.”
- “I’d have to overhaul my accounting system to track DAS services separately.”
- “For small firms, the cost of compliance may outweigh the revenue earned from these services.”
- “Digital automated services will require a small CPA firm like ours to source based on client domicile. In our small firm, we deliver returns to eighty different sales tax localities in Washington state. That will represent a significant amount of work for a small business to shoulder.”

### Equity and Consistency Concerns

Comments questioned why the same service would be taxed if delivered electronically but not if printed and mailed, noting that this could result in unequal treatment based on technology use, disadvantaging modern, digital-forward practices. Sample comments:

- “This could drive professional firms out of Washington or discourage startups.”
- “Uncertainty around DAS rules will chill innovation in digital service delivery.”
- “There needs to be a clearer legal distinction between digital *delivery* and digital *automation*.”

## Ambiguity and Need for Clarification

Comments expressed confusion over what counts as an “electronic tool” and what triggers DAS classification. Requests for clear DOR guidance on:

- What kinds of tools cross the DAS threshold.
- Whether secure portals, email, or video calls count.
- Whether certain services (for example, advisory, consulting) are fully or partially taxable.
- Sample comments:
  - “We need real-world scenarios that show what is and isn’t DAS under this rule.”
  - “Are online legal consultations taxable now? What about therapy sessions over Zoom?”
  - “Subject to sales tax - automated professional services that take less human effort after initially creating the program (such as payroll tax programs for salaried individuals). Not subject to sales tax - professional services that require significant human effort to provide the service and do not lend themselves to automation (i.e. complex federal/state/local tax preparation for business and individuals).”

## THEMES ON KNOWN ISSUES

The following sections summarize the comments, questions, and responses received from the ESSB 5814 survey and listening sessions regarding the known issues and questions.

### **Known Issue: Do traditional professional services (for example, legal, accounting, and lobbying) become subject to retail sales tax as DAS, if electronic tools are being used to perform these services?**

#### **Human-centered professional services**

Respondents expressed that the core of legal, accounting, and similar professional services lies in human judgment, analysis, and discretion. Electronic tools (e.g., portals, email, software) are ancillary and do not replace human involvement. Many emphasized the “true object” of the transaction is professional expertise, not the tool used to deliver it. Sample comments:


- “If there is a human providing direct services with support from digital tools, it should not be considered automated.”
- “The delivery method has changed, but the service remains the same: advice, analysis, and judgment from a qualified professional.”
- “The use of a virtual meeting platform doesn't negate the fact that the core service is human-delivered.”
- “The real work is performed by humans. Just because a tiny portion has to do with electronic tools, the whole process should not become taxable. The electronic tools are to safe guard personal information. To add a tax to the whole work product will push many people out of using the electronic tools and exposing their information to theft. “

#### **Digital Tools as Delivery, Not Product**

Professionals/practitioners emphasized that they are not selling digital goods or automated services, only using tools to deliver human work. Comments note that tools like QuickBooks, DocuSign, and portals are also subject to sales tax when purchased by firms, which should exempt the output from additional taxation. Sample comments:

- “Email and online tools are how we work now—they are not the service being sold.”
- “Zoom isn’t my service; my expertise is. The tool is just the delivery method.”



- 
- “Classifying a consulting service as DAS because it uses a screen share is absurd.”
  - “Ancillary tools: A client portal, an "electronic tool," helps CPAs collect and share sensitive client data, which includes PII. Why should there be a benefit to firms that are less secure with client data?”

# INFORMATION TECHNOLOGY SERVICES AND CUSTOM WEBSITE DEVELOPMENT SERVICES

## OVERVIEW

Revenue hosted a public listening session for information technology services and custom website development services in July 2025. This session was designed to hear directly from interested parties, including businesses, tax professionals, and advocacy organizations about their questions, concerns, and ideas. The feedback gathered will help inform how Revenue interprets and implements the law. This session focused on open dialogue, with the goal of shaping guidance that reflects the law’s intent while balancing clarity, fairness, and practical application.

Date	# Registered	# Attendees	% Attended
July 29, 2025, 1:00 PM	99	63	64%

## Listening Session Attendees

In the two July listening sessions for IT Services and Custom Website Development services, there were representatives from over **45 organizations** spanning businesses, local governments, and non-profit organizations.

**Note:** Providing organizational information during registration was optional. Attendees could choose whether to share their organization when signing up for a listening session.

## Survey Responses

We received **71 complete surveys** with feedback on IT Services and Custom Website Development services. The surveys were anonymous and did not collect any personally identifying information. Respondents had the option to answer questions about their organization’s size, industry or business sector, and any applicable business certifications. These questions were included to help contextualize feedback but were not required for submission.

## GENERAL FEEDBACK

The following section summarizes the comments, questions, and responses submitted through the ESSB 5814 survey and listening sessions in response to the question: 'What issues would you like to raise, and how should the law apply to your business activities?'

### Request for clarity and definitions

Numerous commenters asked whether specific tasks, such as cybersecurity, nonprofit admin, CRM setups, or web support, would be taxed. Sample comments:

- Does website maintenance like updating plugins or scanning for malware count as taxable development?"
- "Is SEO considered part of website development? What about automated reports with some human input?"
- "What if our IT services are bundled with CRM consulting or app integration—how do we allocate tax?"

### Recommendations for exemptions for nonprofits and essential/civic services


Several commenters requested that nonprofits, tourism efforts, and small chambers of commerce be exempt. Sample comments:

- "Given the sharp reduction in resources available to nonprofit organizations, I'd prefer to see an exemption."
- "Credit card processing will make small nonprofits go through extraordinary lengths..."
- "Exemptions should extend to all information technology services related to tourism, meetings, and events."

### Risk of double taxation and competitive disadvantage

Some respondents expressed concern that taxing services based on the seller's location results in double taxation (bundled services, B&O, and digital products tax) and there is an overall disadvantage to Washington providers against out-of-state competitors. Sample comments:

- "This risks double taxation and puts Washington-based service providers at a disadvantage."

- 
- “Any of my clients in Washington will be incentivized to hire a firm out of state to avoid this tax.”
  - “Clients will just use an Idaho freelancer if WA providers have to charge tax. That’s our reality.”
  - “We already lose business to cheaper national providers. Now we’ll lose more just because of our ZIP code.”
  - “We charge a flat monthly fee that includes consulting, site updates, and hosting. How do we split that up for tax?”

## **Administrative and compliance burdens**

Respondents expressed concern that this tax imposes a disproportionate burden on small businesses, non-profit organizations, and internal accounting teams. Sample comments:

- “We don’t have time or people to train all departments on how to code these correctly during audit season.”
- “For each invoice, we’d need to determine what portion is taxable. That’s an unreasonable expectation for a small nonprofit.”
- “What do we do when vendors use vague service descriptions that don’t match tax categories?”
- “Our cloud-based services are delivered and used everywhere. Sourcing by address doesn’t make sense.”

## THEMES ON KNOWN ISSUES

The following sections summarize the comments, questions, and responses received from the ESSB 5814 survey and listening sessions regarding the known issues and questions.

### **Known Issue #1: How broadly does the data processing language apply?**

#### **Overly broad concerns, outdated terminology, and need for clearer definitions**

Many commenters indicated that the term “data processing” is too broad, outdated, and risks capturing services that are not intended to be taxed. Sample comments:

- “The current language is overly broad and risks pulling in countless common, backend software functions.”
- “Data processing is a term that has been outdated for about 25 years.”
- “Data processing and data entry are not specific to retail activities. The terms need to be clearly defined.”
- “How will the Department distinguish between ‘data processing’ and ‘technical support’?”
- “It says ‘primarily automated’—but that’s vague. I’m creating spreadsheets with formulas and queries—does that count?”
- “Is tax return preparation using tax software considered data processing?”

### **Known Issue #2: Does the data processing language affect the exclusions from digital automated services in RCW 82.04.192?**

#### **Uncertainty about scope and impact on existing exclusions**

Respondents expressed concern that an expanded definition of “data processing” may unintentionally override or confuse existing service exclusions under RCW 82.04.192.

Sample comments:

- “Of course it does. By using a blanket data processing term – it scoops up all the exclusions – because they all process data in one form or another.”
- “The new ‘data processing’ language risks undermining current exemptions... creating ambiguity about what is now taxable if incidental data handling is involved.”

#### **Call to clarify specific exemptions**

Respondents asked Revenue to explicitly reaffirm current exclusions and avoid unintended expansion of tax liability due to vague terms. Sample comments:

- “Reaffirm and prioritize the integrity of RCW 82.04.192 exemptions... use a functional test to see if data processing is primary or incidental.”
- “We urge WSDOR to maintain the integrity of the exclusions for travel agent services and payment processing... Any ambiguity could create compliance burdens and unintended tax liabilities for small businesses.”

### **Known Issue #3: How should the location of the sale of custom website development services be determined?**

#### **Destination-based sourcing where the benefit is received**

Many commenters supported sourcing based on where the customer receives the benefit (for example, business address, headquarters, or billing address). Some respondents referenced legal sourcing rules (e.g., RCW 82.32.730) or suggested definitions based on delivery instructions and contract addresses. Sample comments:

- “The location should be based on where the customer receives the benefit of the service, specifically, their business address.”
- “Sourcing should default to the customer's billing address or headquarters.”
- “The only way would be the client's address—the one on the contract/invoices.”
- “If the service is delivered remotely and the benefit is broadly received... sourcing should default to the customer's billing address.”
- “Receipt should be interpreted as where the customer first makes use of the completed website or development services.”
- “We recommend that the location of the sale be sourced to the primary benefit location of the customer, consistent with RCW 82.32.730(1)(c).”

#### **Origin-based sourcing where the developer is located**

Some commenters preferred sourcing based on the developer's business location, citing simplicity and avoiding having to track tax rates across jurisdictions. Sample comments:

- “It should be based on our business location, not the customer's business location in order to simplify reporting.”
- “The sale should be taxed from the location the service is provided. Our billing system can't track by client location.”
- “Location of sale should be determined by the website development company's chosen state of incorporation.”



## Complexity with remote work and global clients

Respondents flagged potential logistical challenges with sourcing when work is done remotely or delivered digitally, especially when teams, clients, and end users span multiple jurisdictions. Sample comments:

- “We deal with customers all over the world... the location of the software is worldwide, making it hard to define.”
- “Remote work is very prevalent in IT. How will this be sourced?”
- “Sourcing would be very confusing if sales were based on where a feature was built or the client’s end user is using the product.”

# CUSTOM SOFTWARE AND CUSTOMIZATION OF PREWRITTEN SOFTWARE

## OVERVIEW

Revenue hosted a public listening session for custom software and the customization of prewritten software in July 2025. This session was designed to hear directly from interested parties, including businesses, tax professionals, and advocacy organizations about their questions, concerns, and ideas. The feedback gathered will help inform how Revenue interprets and implements the law. This session focused on open dialogue, with the goal of shaping guidance that reflects the law’s intent while balancing clarity, fairness, and practical application.

Date	# Registered	# Attendees	% Attended
July 30, 2025, 10:00 AM	97	64	66%

## Listening Session Attendees

In the two July listening sessions for custom software and the customization of prewritten software, there were representatives from over **49 organizations** spanning businesses, local governments, and non-profit organizations.

**Note:** Providing organizational information during registration was optional. Attendees could choose whether to share their organization when signing up for a listening session.

## Survey Responses

We received **34 complete surveys** with feedback on custom software and the customization of prewritten software. The surveys were anonymous and did not collect any personally identifying information. Respondents had the option to answer questions about their organization’s size, industry or business sector, and any applicable business certifications. These questions were included to help contextualize feedback but were not required for submission.



## GENERAL FEEDBACK

The following section summarizes the comments, questions, and responses submitted through the ESSB 5814 survey and listening sessions in response to the question: 'What issues would you like to raise, and how should the law apply to your business activities?'

### Definition clarity

Respondents are uncertain about what qualifies as custom software, software customizations, or taxable digital services. Sample comments:

- “The biggest issue is clarity around what counts as software customization.”
- “It’s unclear whether platform setup is considered ‘customization of prewritten software.’”
- “Does this include programming of custom software owned by the customer and developed in the client’s environment?”
- “Clarify use of ad hoc custom software in mixed media environments—e.g., immersive entertainment or museum exhibitions.”
- “Does custom mean designed and built for a client?”

### Service versus product


Respondents asked whether software development remains a service or becomes taxable. Sample comments:

- “Does the excise tax apply to software development services when an independent consultant is performing the services for a customer that is a business?”
- “Time spent developing is a service. But if the sale of custom software is retail taxable, is the development now retail sales instead?”
- “Is the department looking at custom software as a service, a DAS or a digital good? Is it all three?”

### Out-of-state and sourcing issues

Respondents had questions about where the software is used, who the customer is, and how sourcing rules would apply – especially for interstate and international. Sample comments:

- “What if the customer is out of state?”

- 
- “We currently bill based on the installation location where the equipment and software is delivered.”
  - “The software I develop is installed on some of their servers, at various locations in the US and Canada, but mostly on their customers’ hardware, at locations around the world.”

## **Reseller permit and wholesale/resale concerns**

Some respondents are unsure how the tax would apply for resellers and wholesalers. Sample comments:

- “If a subcontractor in WA bills us for programming services that we resell, do they collect tax or do we pay them as a wholesaler?”
- “If customer has a reseller permit for other products, does that extend to new products?”
- “Retail Reseller Permits—questions abound how they get refunds for anything resold before new guidance comes out.”

## **Administrative complexity and burden**

Some respondents expressed concerns about tracking taxable activities, applying tax rules in financial systems and processes, and resource limitations for small businesses and non-profit organizations. Sample comments:

- “Tracking these changes would be almost impossible in most systems.”
- “Our financial system needs specific expenditure account codes to charge sales tax without retraining departments.”
- “The expense to update our systems is not something the business can currently sustain.”

## THEMES ON KNOWN ISSUES

The following sections summarize the comments, questions, and responses received from the ESSB 5814 survey and listening sessions regarding the known issues and questions.

### **Known Issue: How should the location of the sale of custom software, or the customization of prewritten software, be determined?**

#### **Source based on customer or end-user location**

Most respondents suggest that sourcing could be based on where the customer or end-user received or benefits from the software. Sample comments:

- “The location should be based on where the customer receives the benefit of the software or customization, which is usually the client's business address or where their team uses the tool.”
- “The obvious answer would be the customer's location, but even that can be hard to determine. Their headquarters?”
- “Sourcing of the software should be based on the location of the purchaser.”
- “Custom software should be sourced based on where the finished software is delivered based on where the users of the custom software are located.”
- “Following a benefit-based approach is consistent with RCW 82.32.730 and existing B&O apportionment rules, and it avoids double taxation when clients are outside the state.”


#### **Use ship-to or invoicing address**

Some respondents recommend using the address listed on invoices or shipping documentation to simplify sourcing. Sample comments:

- “The address of the party who would be designated as the ‘ship to’ on the invoice should be the source of taxability.”
- “Stick to ship-to location like the sale of normal software. Normally in the course of business there is a main location that the software is being shipped to even if it goes on to new locations.”

#### **Source based on location of provider**

A few respondents indicated that, for simplicity, sourcing should be where the work is performed, or the seller is located. Sample comments:

- 
- “It should be based on our business location, not the customer's business location in order to simplify reporting.”
  - “Local should be based on where we are providing the service. We provide our services from our office in Yakima, so the tax rate should be based on that.”

# INVESTIGATION, SECURITY, AND ARMORED CAR SERVICES

## OVERVIEW

Revenue hosted a public listening session for investigation, security, and armored car services in July 2025. This session was designed to hear directly from interested parties, including businesses, tax professionals, and advocacy organizations about their questions, concerns, and ideas. The feedback gathered will help inform how Revenue interprets and implements the law. This session focused on open dialogue, with the goal of shaping guidance that reflects the law’s intent while balancing clarity, fairness, and practical application.

Date	# Registered	# Participants	% Attendance
July 31, 2025, 10:00 AM	94	56	60%

## Listening Session Attendees

In the two July listening sessions for investigation, security, and armored car services, there were representatives from over **56 organizations** spanning businesses, local governments, and non-profit organizations.

**Note:** Providing organizational information during registration was optional. Attendees could choose whether to share their organization when signing up for a listening session.

## Survey Responses

We received **35 complete surveys** with feedback on investigation, security, and armored car services. The surveys were anonymous and did not collect any personally identifying information. Respondents had the option to answer questions about their organization’s size, industry or business sector, and any applicable business certifications. These questions were included to help contextualize feedback but were not required for submission.

## GENERAL FEEDBACK

The following section summarizes the comments, questions, and responses submitted through the ESSB 5814 survey and listening sessions in response to the question: 'What issues would you like to raise, and how should the law apply to your business activities?'

### Administrative burden


Many respondents expressed concern about the complexity and cost of complying with location-based sales tax collection for these services. Sample comments:

- “It would be an undue burden on licensed agencies to calculate the minutes and portions of an hour for each location services were rendered.”
- “Creating an undue reporting burden on micro businesses.”
- “This is a huge shift — we’ll need guidance, training, and time to adapt.”
- “Over 90% of our business is for clients who reside or are based out of the state of Washington. 50% of our business is conducting online digital investigations where the actual investigator may be here in WA, or licensed and located out of State. Nearly all of our Protective Services are conducted in many jurisdictions during a single day of services. It is not uncommon to operate in King County, Pierce County, Snohomish County, the City of Seattle, Tacoma, Bellevue, and Everett in a single 8 hour day of service.”

### Exemptions and clarifications requested

Respondents called for clarity on specific service types and whether certain types of services or contracts could be exempt. Sample comments:

- “Personnel investigations required by law or employer policy should be excluded.”
- “Will the expanded tax apply only to new business contracted after October 1, 2025?”
- “It’s unclear whether forensic accounting is included.”
- “Not uncommon for an attorney to do investigation work... it’s unclear if this type of work is supposed to be included.”
- “The term “investigation services” is vague and overly broad. If interpreted literally, the term arguably covers workplace investigations, which are often performed by lawyers and significantly differ from what traditional private investigators do. Workplace investigations are usually conducted to respond to complaints of discrimination, harassment, bullying, ethical violations, and other workplace conduct. Under state and federal law, such investigations



are often required in response to complaints of discriminatory or harassing treatment. Such investigations can involve interviewing tens or even scores of witnesses. The investigator's findings are usually summarized in a written report. The cost of such investigations, which are often conducted and paid for public entities, can be considerable. Adding a sales tax to the already heavy cost burden of such investigations could discourage employers from retaining experienced investigators or giving them the independence to fully investigate complaints.”

- “Workplace and school investigations involve evidence, policy application, and conclusions, similar to legal services, which are exempt... Legally Required: Federal and state laws mandate investigations (e.g., Title IX, Title VII). Taxing them penalizes compliance.”
- “This law should not apply to criminal defense investigators/investigations. Most individuals facing criminal charges are either indigent or become indigent during the criminal proceedings. Most criminal defense investigations are funded by government entities/the courts - or invoices are being directed/paid by the representing attorney. “

## THEMES ON KNOWN ISSUES

The following sections summarize the comments, questions, and responses received from the ESSB 5814 survey and listening sessions regarding the known issues and questions.

### **Known Issue: How should the location of bodyguard and investigative services be determined?**

#### **Location-based taxation preferences were varied**

Respondents had differing views on whether the service should be sourced based on where the service is delivered, where the client is located, or where the provider is located. Sample comments:

- “Location of the investigator’s office would make sense.”
- “The location where the service is provided should determine the sales tax rate.”
- “At the place the security occurs. We are a convention center.”
- “In the state in which the purchaser is.”
- “Use location of the investigator since 99% of the work is done remotely from a home or business office.”

#### **Services are mobile and hard to assign a single location**

Many respondents noted that investigative and protective services are inherently mobile or remote, which makes it difficult to assign a single location for taxation. Sample comments:

- “Protective and investigative services are by their nature fluid and are conducted both online and/or in multiple locations.”
- “All my clients are out of state and I could do my work from anywhere.”
- “These are one-time, event-related or short-duration services.”
- “Sometimes, we interview people all over Washington. So which rate applies?”





## SURVEY: ORGANIZATION PROFILE DATA

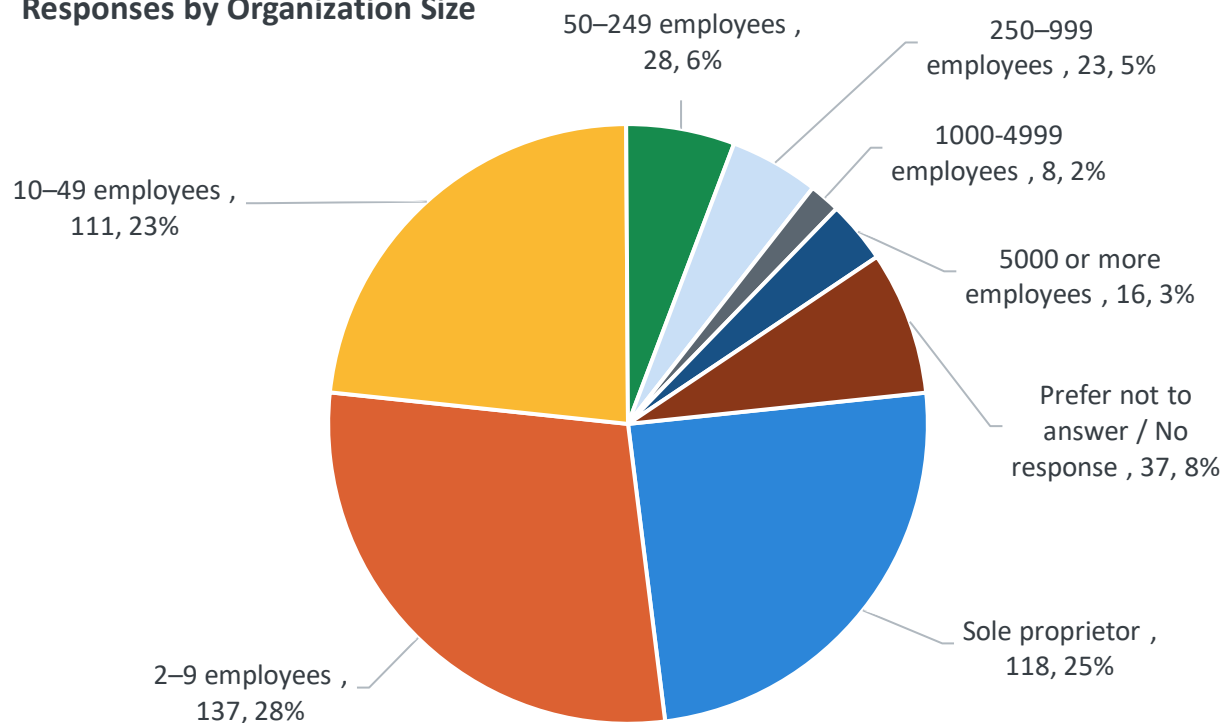
The survey demographics section reflects **voluntary self-reported information** provided by respondents regarding the size of their organization, their organization's business certification, and industry sector. These responses offer helpful context for understanding the diversity of perspectives shared but should not be interpreted as a comprehensive or representative dataset.

## TOTAL RESPONSES

### Size of Organization

The following responses reflect voluntary self-reported information provided by 478 survey respondents regarding the size of their organization.

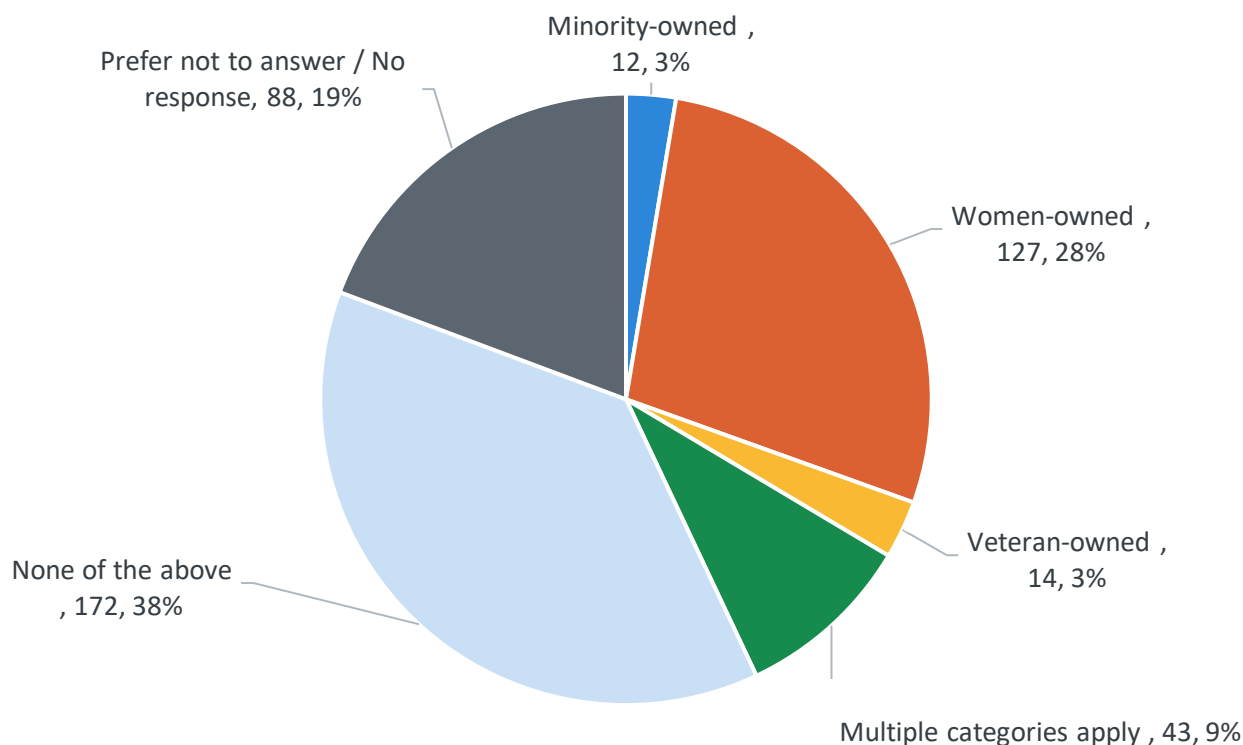
#### Responses by Organization Size



## Business certification and ownership type

The following responses reflect voluntarily self-reported information from 478 survey participants about their organization's business certification status or self-identified ownership type.

### Responses by Business Certification



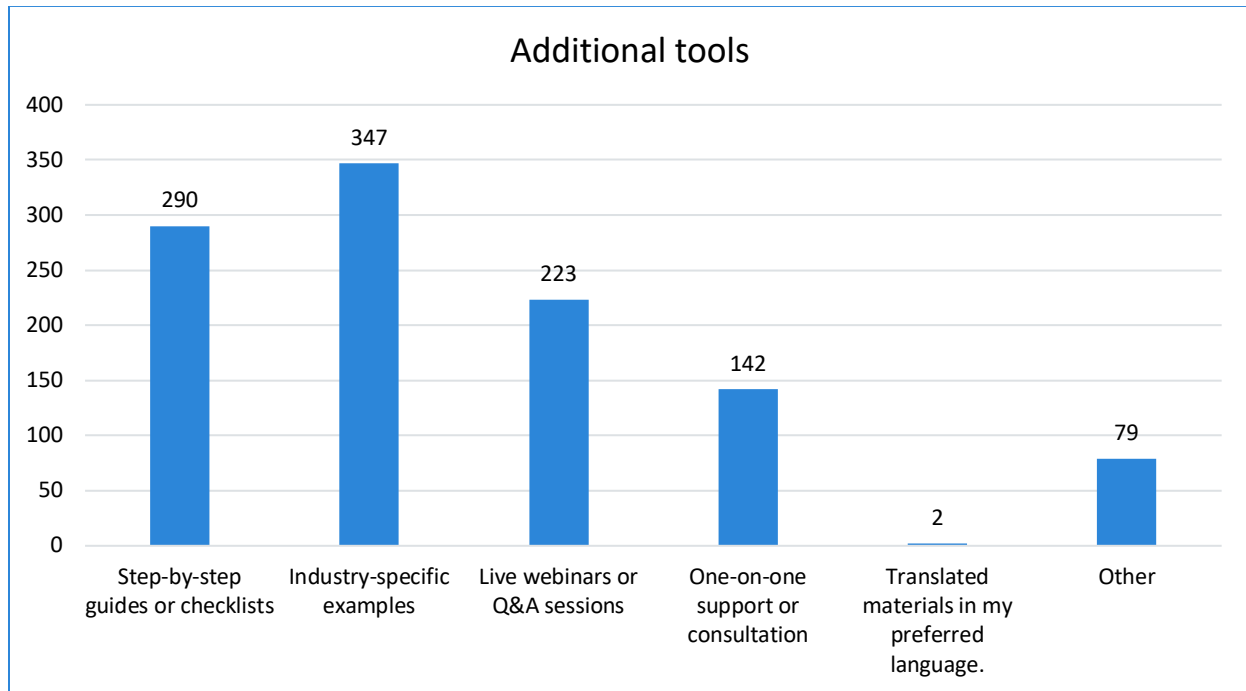
Certification	Number of responses	Percent
Minority-owned	12	3%
Women-owned	127	28%
Veteran-owned	14	3%
Multiple categories apply	43	9%
None of the above	172	38%
Prefer not to answer / No response	88	19%
<b>TOTAL</b>	<b>478</b>	

**Note:** The business certification question did not include LGBTQ+ as an option. [LGBTQ+ business certification](#) was announced in Washington State at the same time this survey was being developed. This certification category will be incorporated into future surveys to better reflect the full range of business identities in the state.

## Additional Tools

Survey respondents were also asked, “What additional tools or guidance would help you better understand or comply with ESSB 5814?” This question was presented as a multi-select (checkbox) format, allowing respondents to choose more than one option. Most respondents selected industry-specific examples. “Other” write-in responses included the following themes:

- Desire for repeal, rollback, or phased-in approach of ESSB 5814.
- Requests for clear(er) guidance and definitions.
- Call for professional service exemptions.
- Practical implementation tools (decision matrices, flowcharts, handouts, and training content).
- Education, communication, and outreach (need for widespread communication, more listening sessions, live and on-demand webinars).

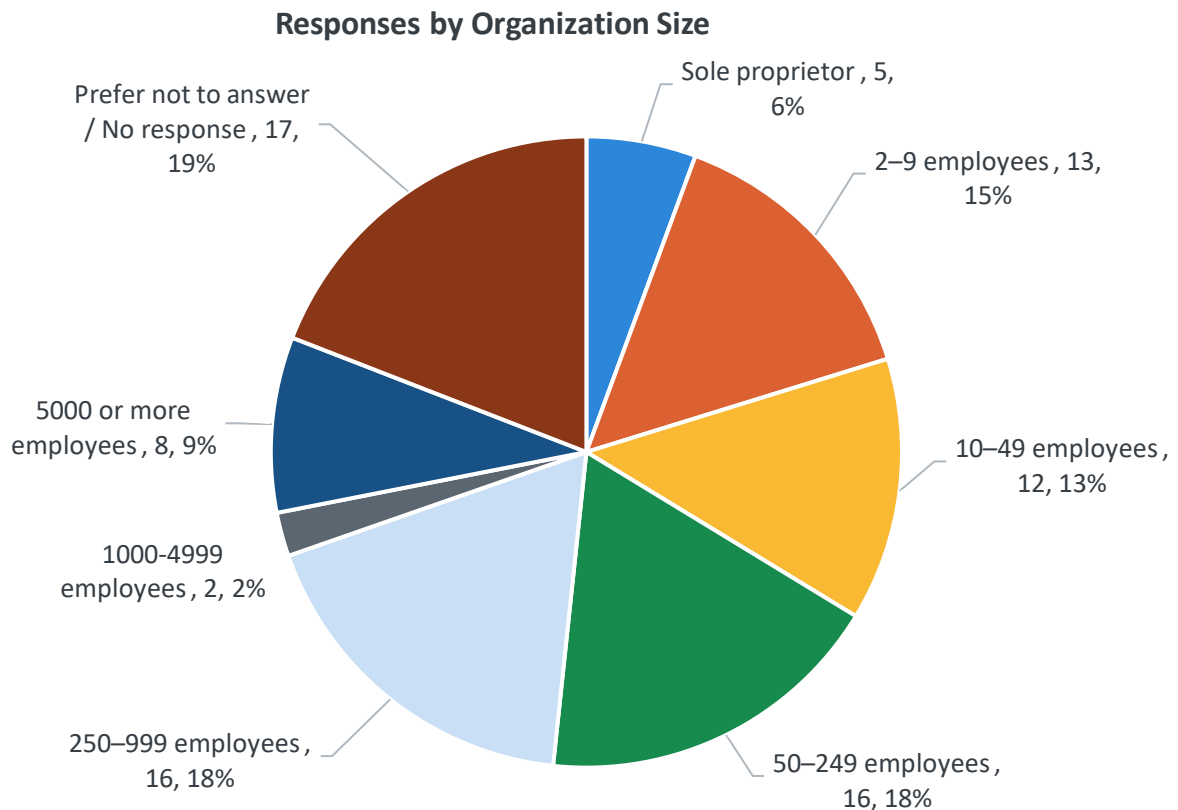


Additional tools	Number of responses	Percent
Step-by-step guides or checklists	290	69%
Industry-specific examples	347	83%
Live webinars or Q&A sessions	223	53%
One-on-one support or consultation	142	34%
Translated materials	2	0.5%
Other	79	19%

## TEMPORARY STAFFING

### Size of Organization

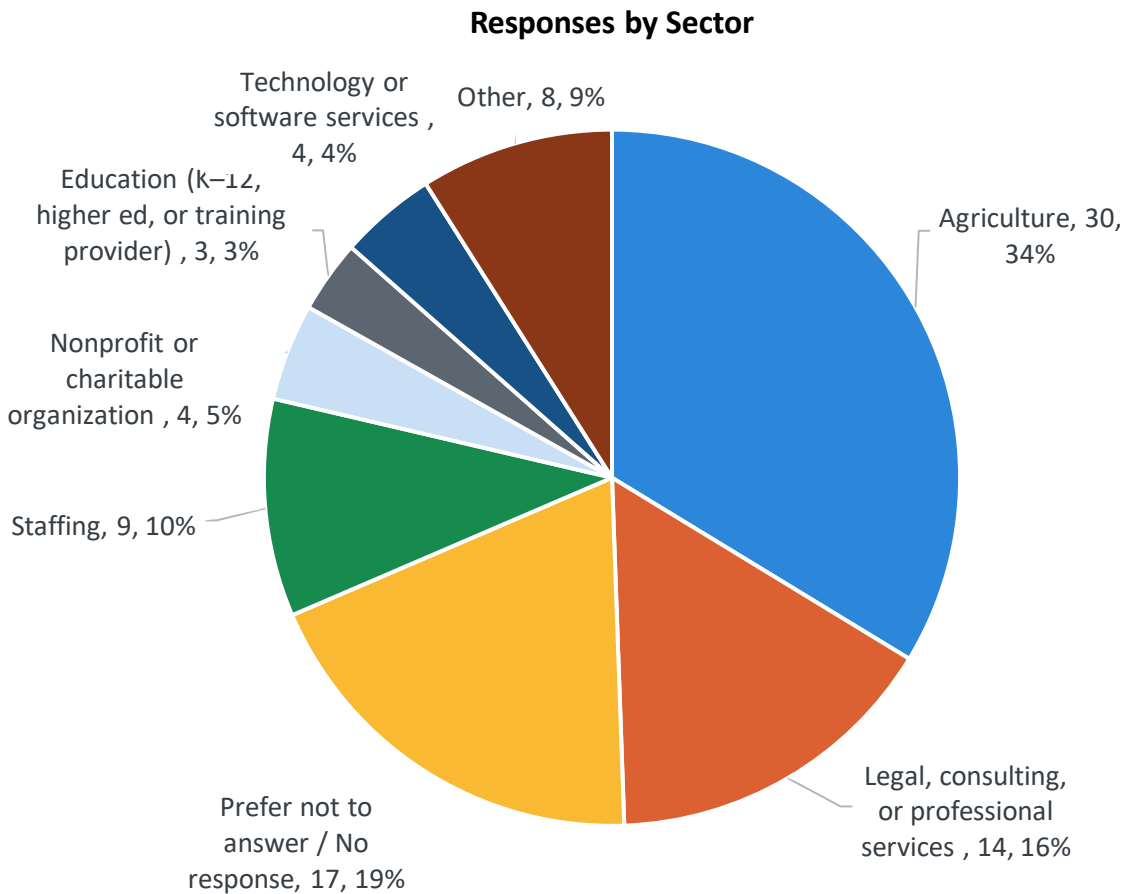
The following reflects the voluntary self-reported size of organization information from survey respondents who answered temporary staffing questions.



Size	Number of responses	Percent
Sole proprietor	5	6%
2-9 employees	13	15%
10-49 employees	12	13%
50-249 employees	16	18%
250-999 employees	16	18%
1000-4999 employees	2	2%
5000 or more employees	8	9%
Prefer not to answer/No response	17	19%
<b>Total</b>	<b>89</b>	

## Industry sector

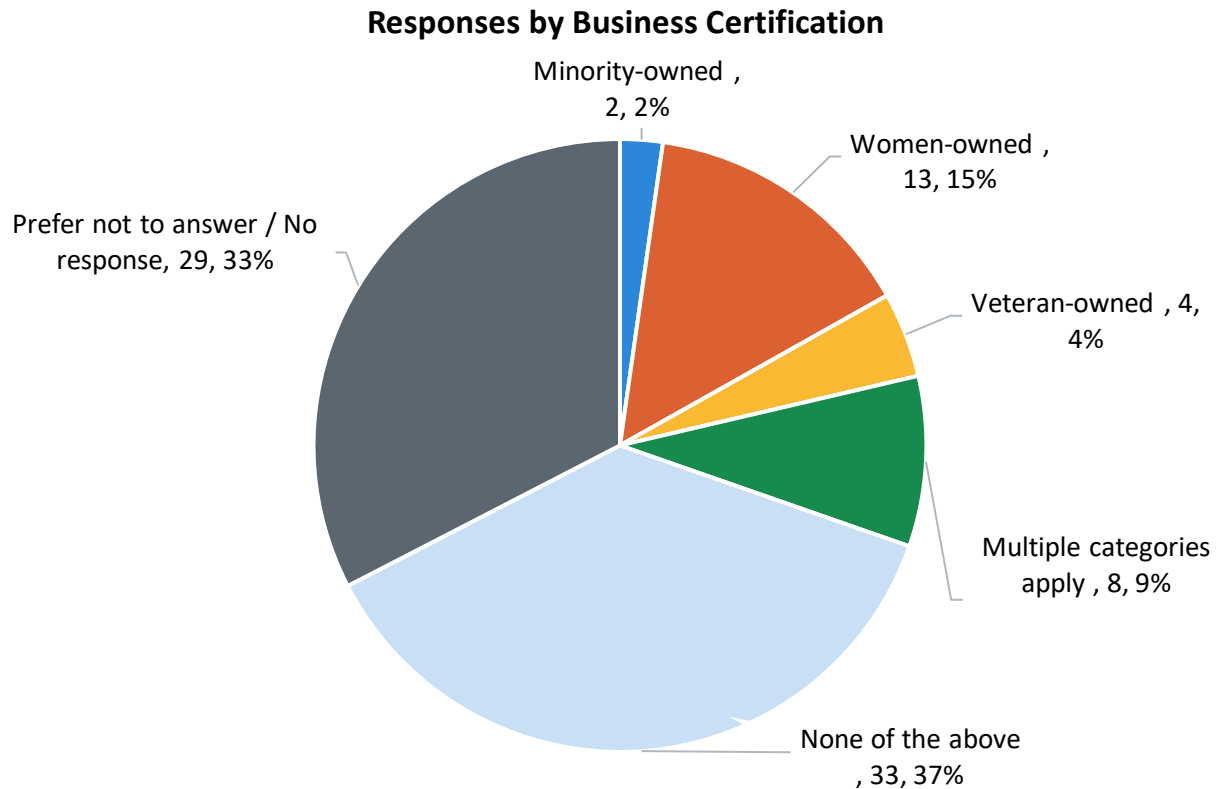
The following reflects voluntary self-reported industry information from survey respondents who answered temporary staffing questions.



Sector or Industry	Number of responses	Percent
Agriculture	30	34%
Legal, consulting, or professional services	14	16%
Staffing	9	10%
Nonprofit or charitable organization	4	5%
Education (K-12, higher ed, or training provider)	3	3%
Technology or software services	4	4%
Other	8	9%
Prefer not to answer / No response	17	19%
<b>TOTAL</b>	<b>89</b>	

## Business certification and ownership type

The following reflects voluntary business certification status or self-identified ownership type from survey participants who answered temporary staffing questions.

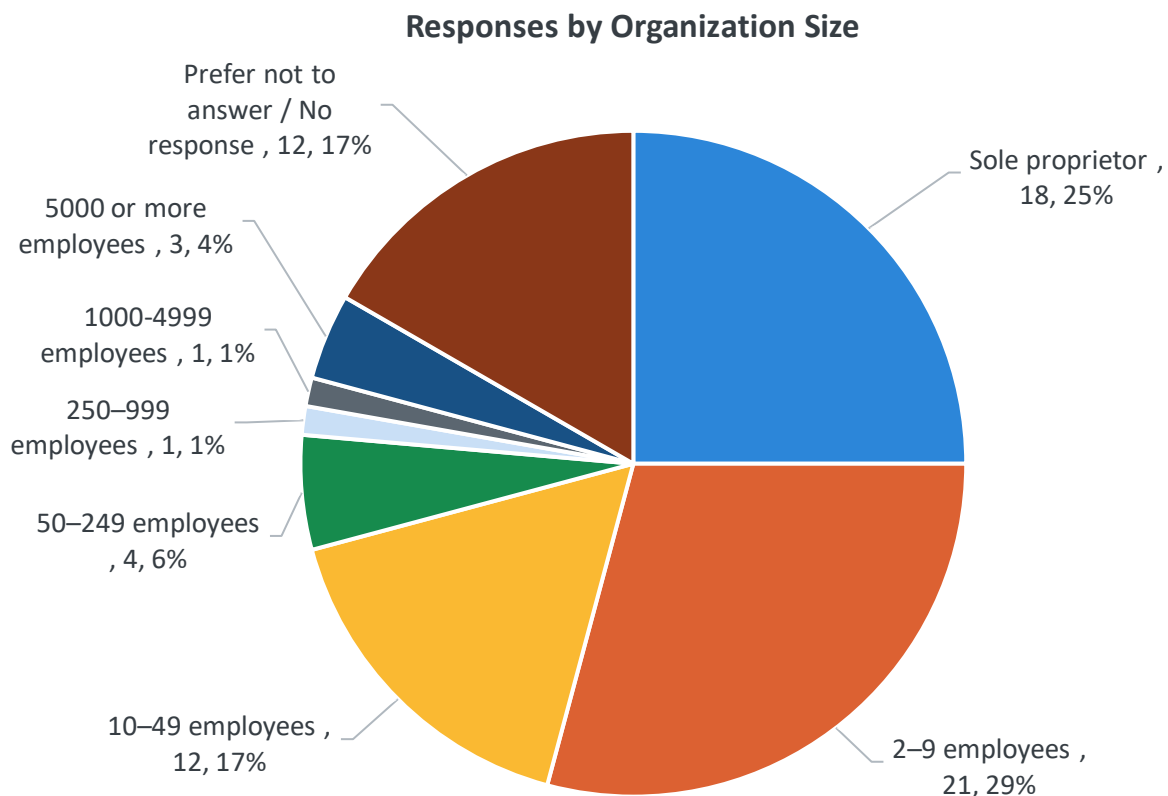


Certification	Number of responses	Percent
Minority-owned	2	2%
Women-owned	13	15%
Veteran-owned	4	4%
Multiple categories apply	8	9%
None of the above	33	37%
Prefer not to answer / No response	29	33%
<b>TOTAL</b>	<b>89</b>	

## ADVERTISING

### Size of Organization

The following reflects the voluntary self-reported size of organization information from survey respondents who answered advertising questions.

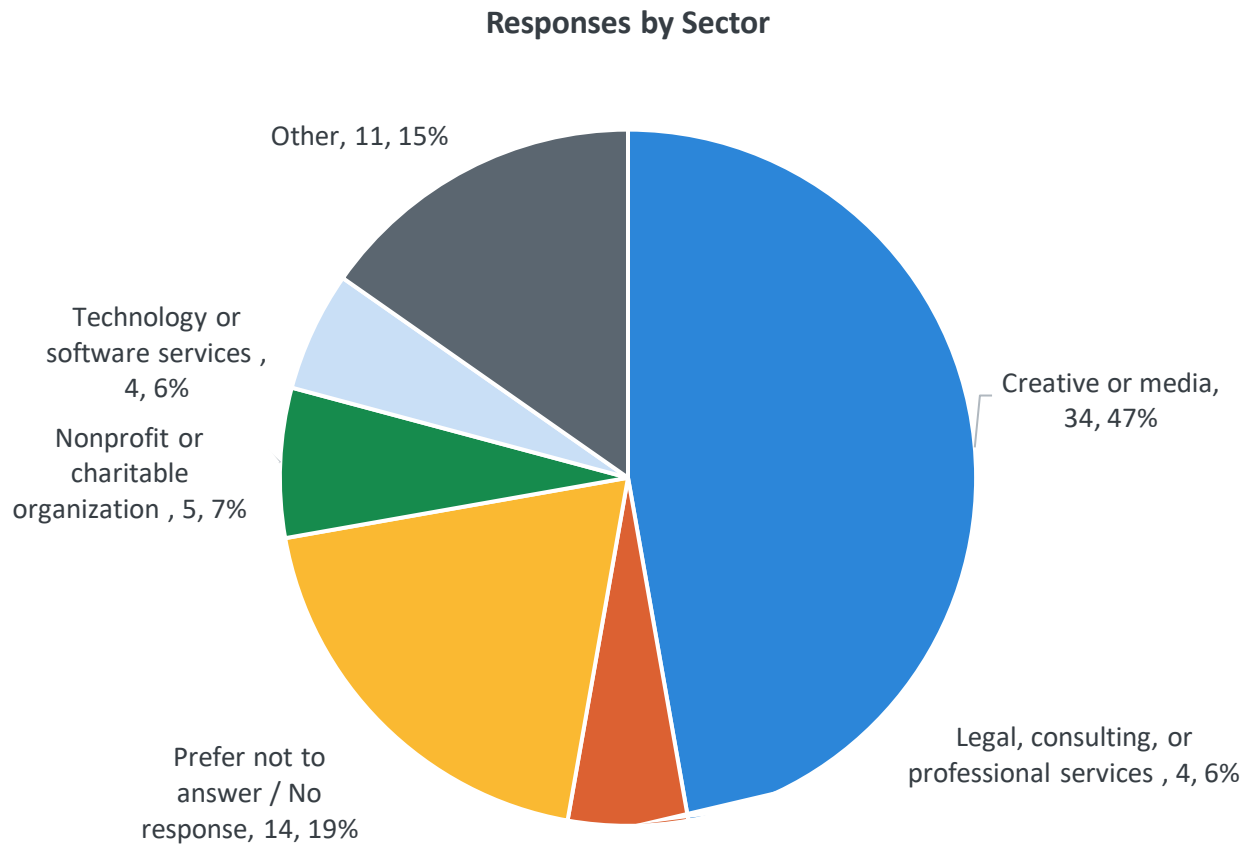


Size	Number of responses	Percent
Sole proprietor	18	25%
2-9 employees	21	29%
10-49 employees	12	17%
50-249 employees	4	6%
250-999 employees	1	1%
1000-4999 employees	1	1%
5000 or more employees	3	4%
Prefer not to answer/No response	12	17%
<b>Total</b>	<b>72</b>	



## Industry sector

The following reflects voluntary self-reported industry information from survey respondents who answered advertising questions.

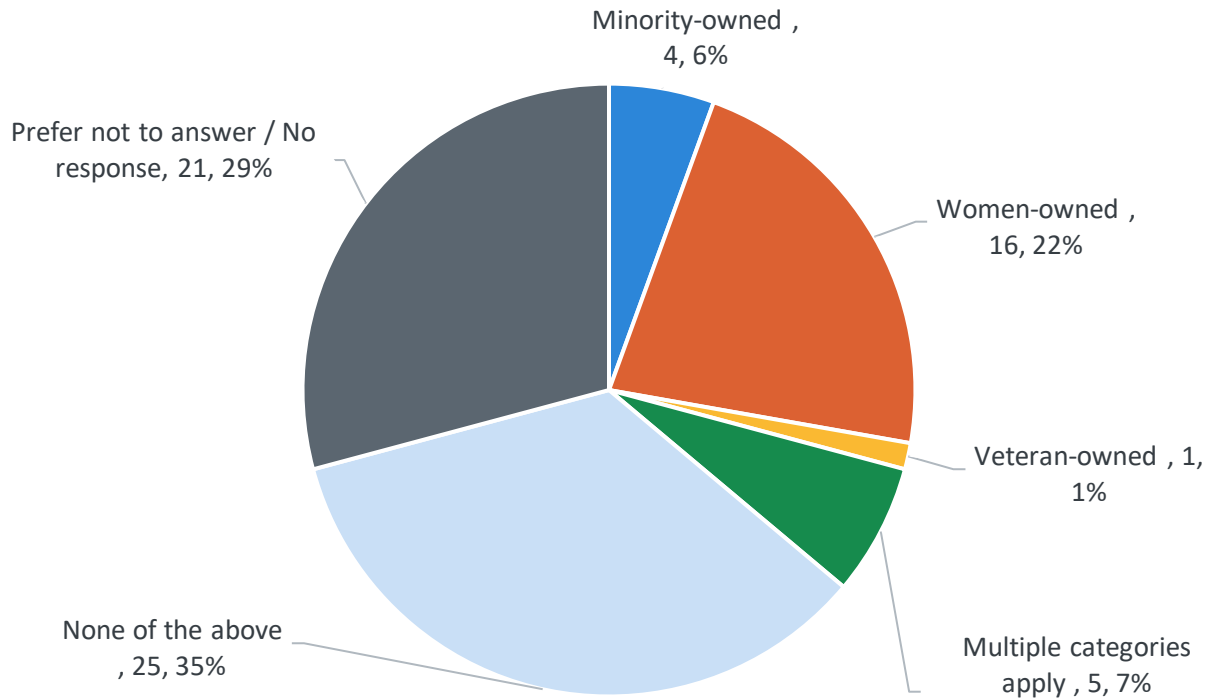


Sector or Industry	Number of responses	Percent
Creative or media	34	47%
Legal, consulting, or professional services	4	6%
Nonprofit or charitable organization	5	7%
Technology or software services	4	6%
Other	11	15%
Prefer not to answer / No response	14	19%
<b>TOTAL</b>	<b>72</b>	

## Business certification and ownership type

The following reflects voluntary business certification status or self-identified ownership type from survey participants who answered advertising questions.

### Responses by Business Certification

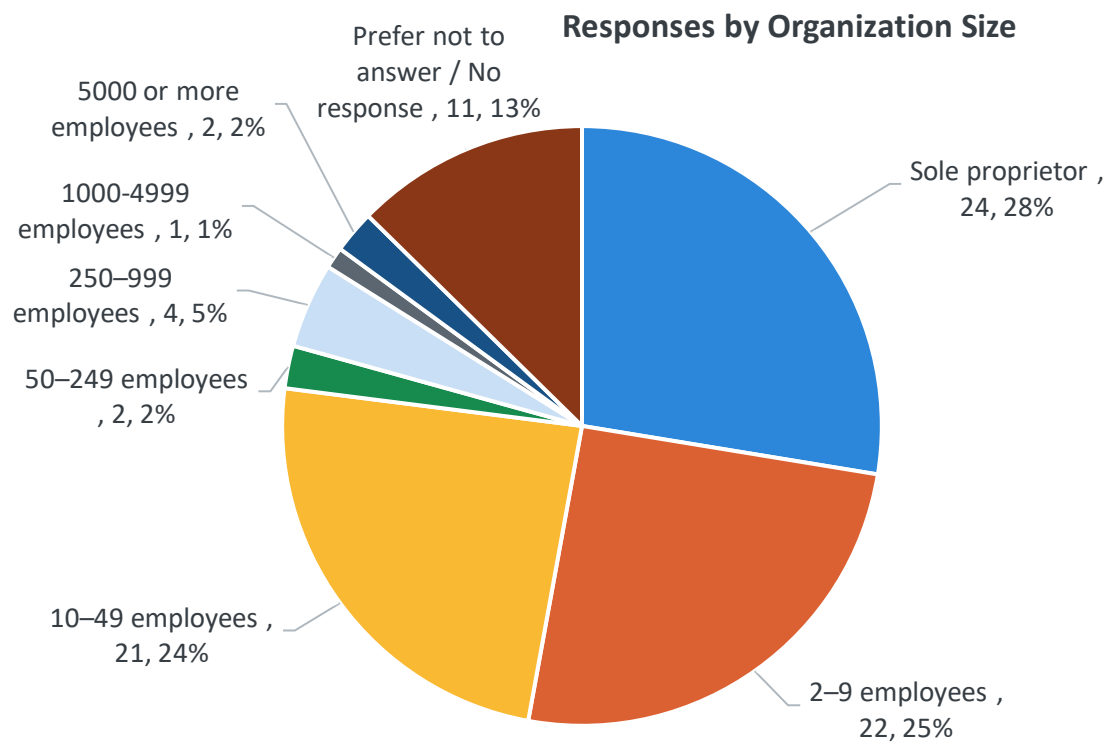


Certification	Number of responses	Percent
Minority-owned	4	6%
Women-owned	16	22%
Veteran-owned	1	1%
Multiple categories apply	5	7%
None of the above	25	35%
Prefer not to answer / No response	21	29%
<b>TOTAL</b>	<b>72</b>	

## LIVE PRESENTATIONS

### Size of Organization

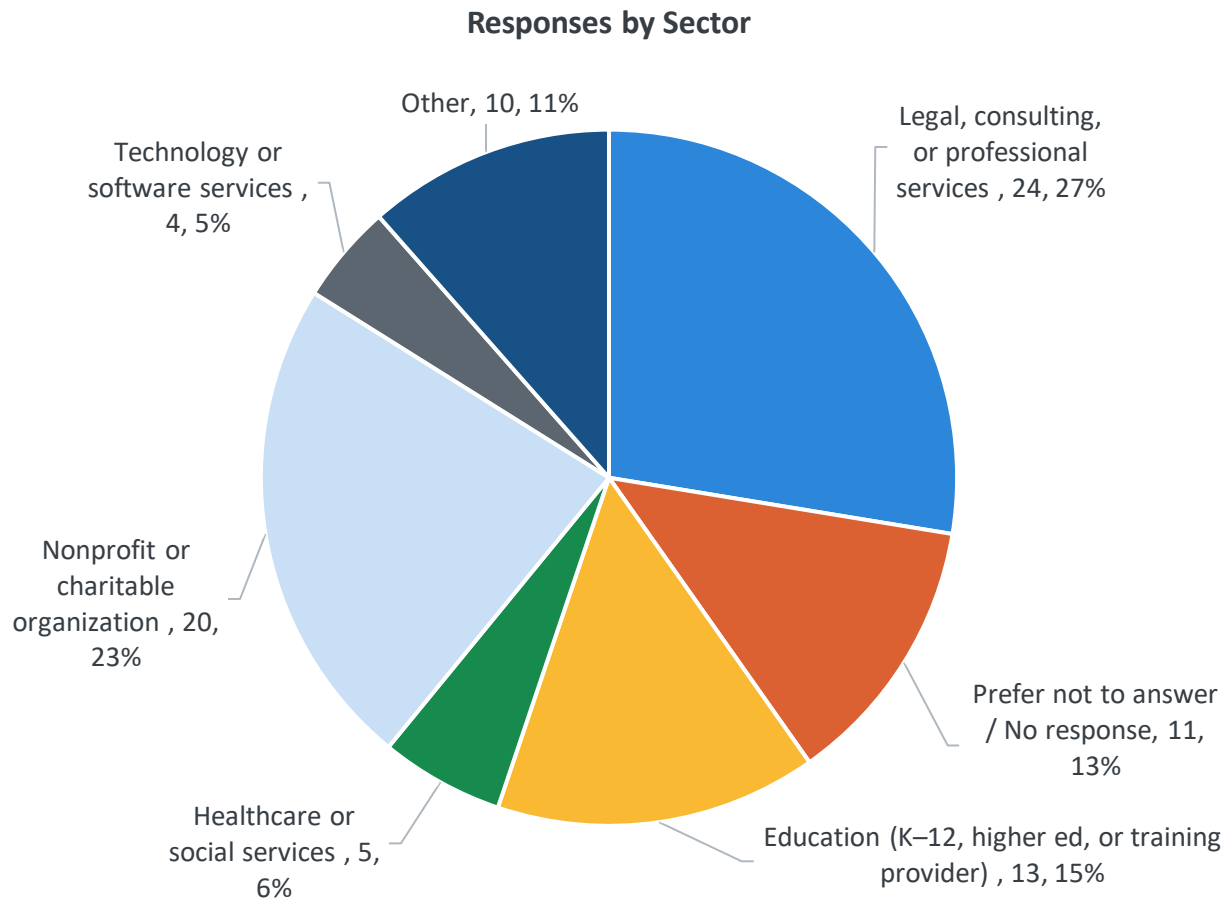
The following reflects the voluntary self-reported size of organization information from survey respondents who answered live presentation questions.



Size	Number of responses	Percent
Sole proprietor	24	28%
2-9 employees	22	25%
10-49 employees	21	24%
50-249 employees	2	2%
250-999 employees	4	5%
1000-4999 employees	1	1%
5000 or more employees	2	2%
Prefer not to answer/No response	11	13%
<b>Total</b>	<b>87</b>	

## Industry sector

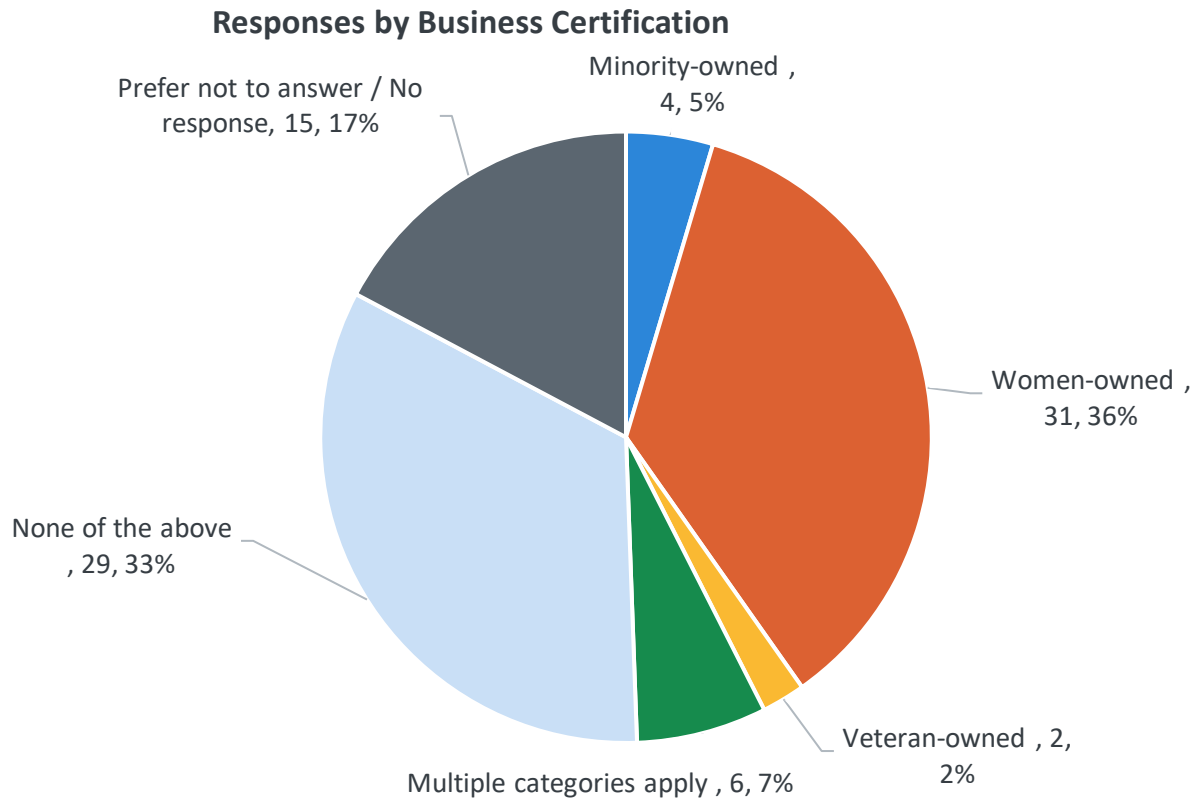
The following reflects voluntary self-reported industry information from survey respondents who answered live presentation questions.



Sector or Industry	# Responses	Percent
Legal, consulting, or professional services	24	27%
Nonprofit or charitable organization	20	23%
Education (K–12, higher ed, or training provider)	13	15%
Healthcare or Social Services	5	6%
Technology or software services	4	5%
Other	10	11%
Prefer not to answer / No response	11	13%
<b>TOTAL</b>	<b>87</b>	

## Business certification and ownership type

The following reflects voluntary business certification status or self-identified ownership type from survey participants who answered live presentation questions.



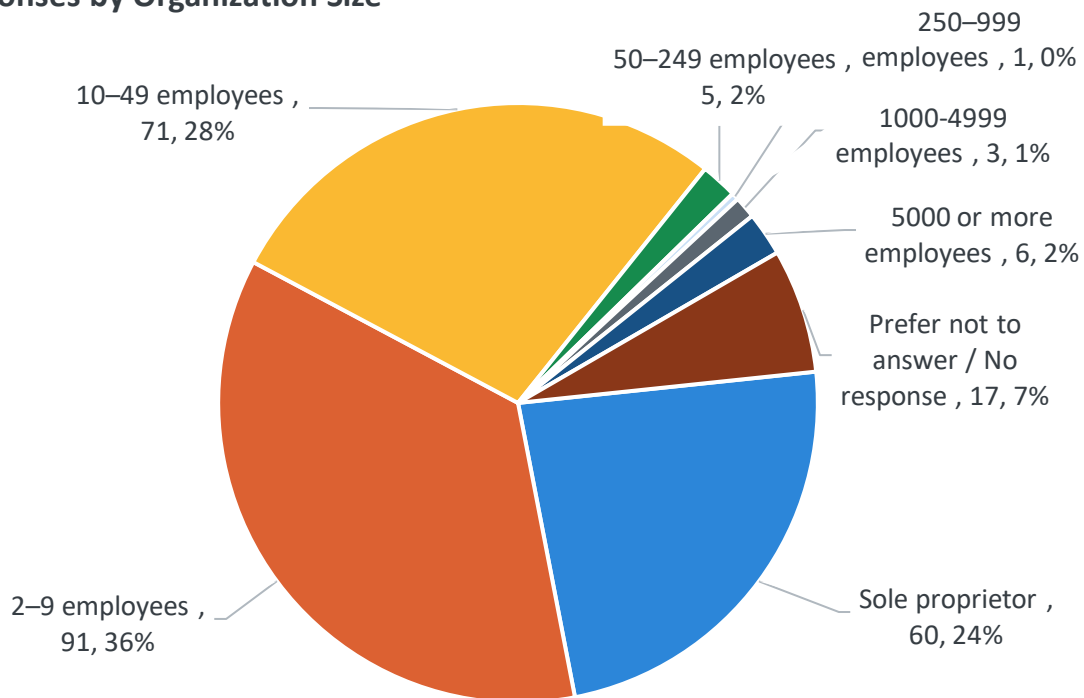
Certification	Number of responses	Percent
Minority-owned	4	5%
Women-owned	31	36%
Veteran-owned	2	2%
Multiple categories apply	6	7%
None of the above	29	33%
Prefer not to answer / No response	15	17%
<b>TOTAL</b>	87	

## DIGITAL AUTOMATED SERVICES

### Size of Organization

The following reflects the voluntary self-reported size of organization information from survey respondents who answered Digital Automated Services (DAS) questions.

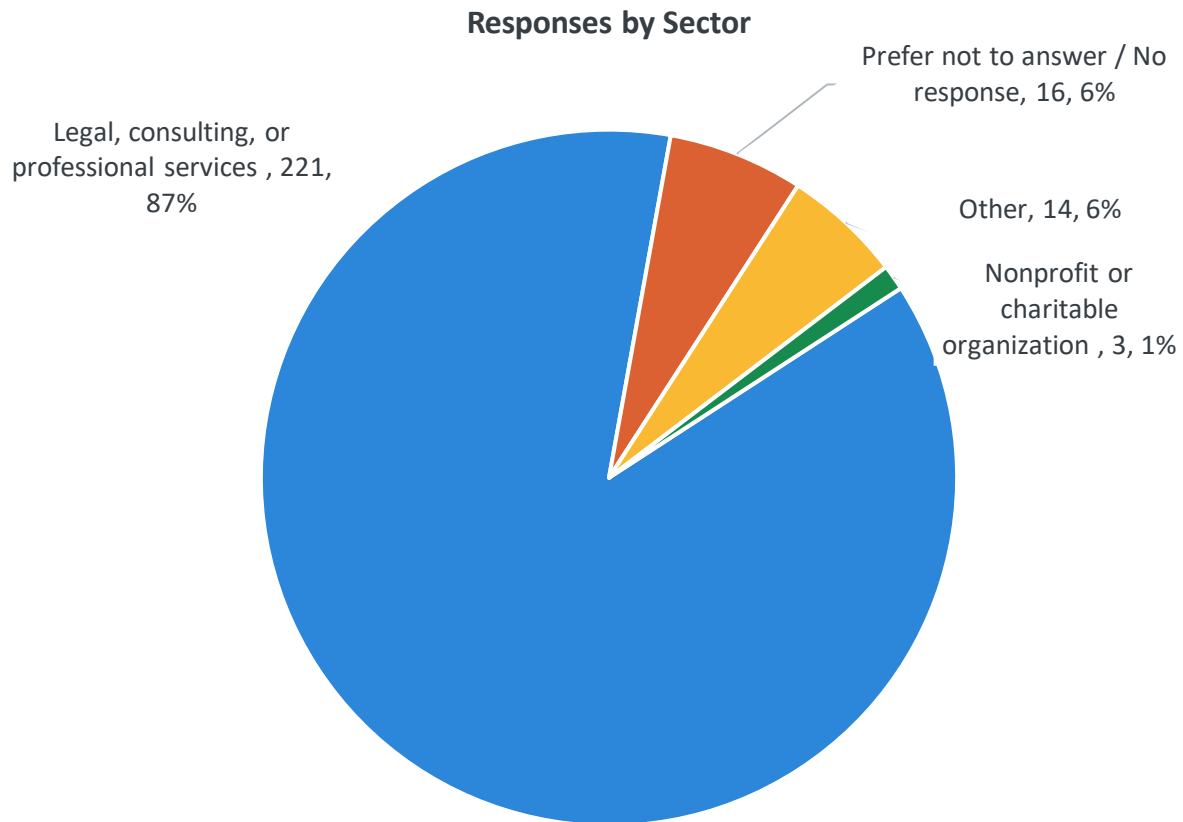
#### Responses by Organization Size



Size	Number of responses	Percent
Sole proprietor	60	24%
2-9 employees	91	36%
10-49 employees	71	28%
50-249 employees	5	2%
250-999 employees	1	0%
1000-4999 employees	3	1%
5000 or more employees	6	2%
Prefer not to answer/No response	17	7%
Total	254	

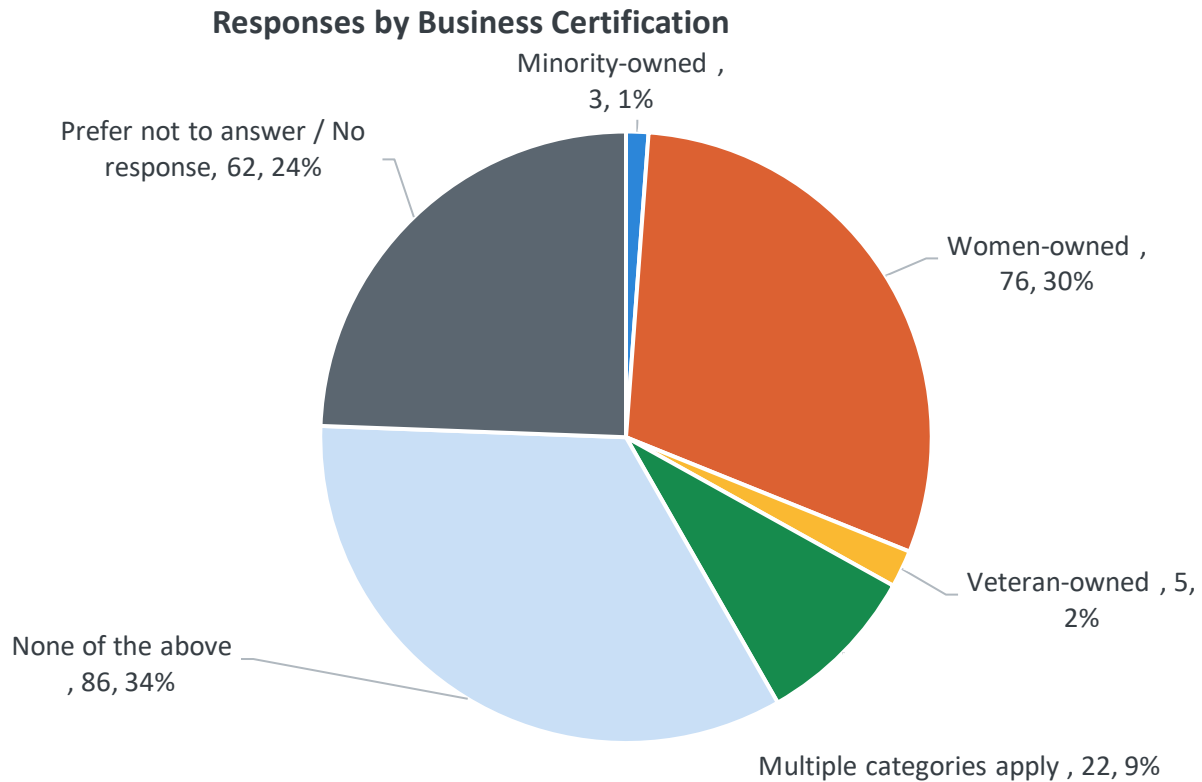
## Industry sector

The following reflects voluntary self-reported industry information from survey respondents who answered DAS questions.



## Business certification and ownership type

The following reflects voluntary business certification status or self-identified ownership type from survey participants who answered DAS questions.



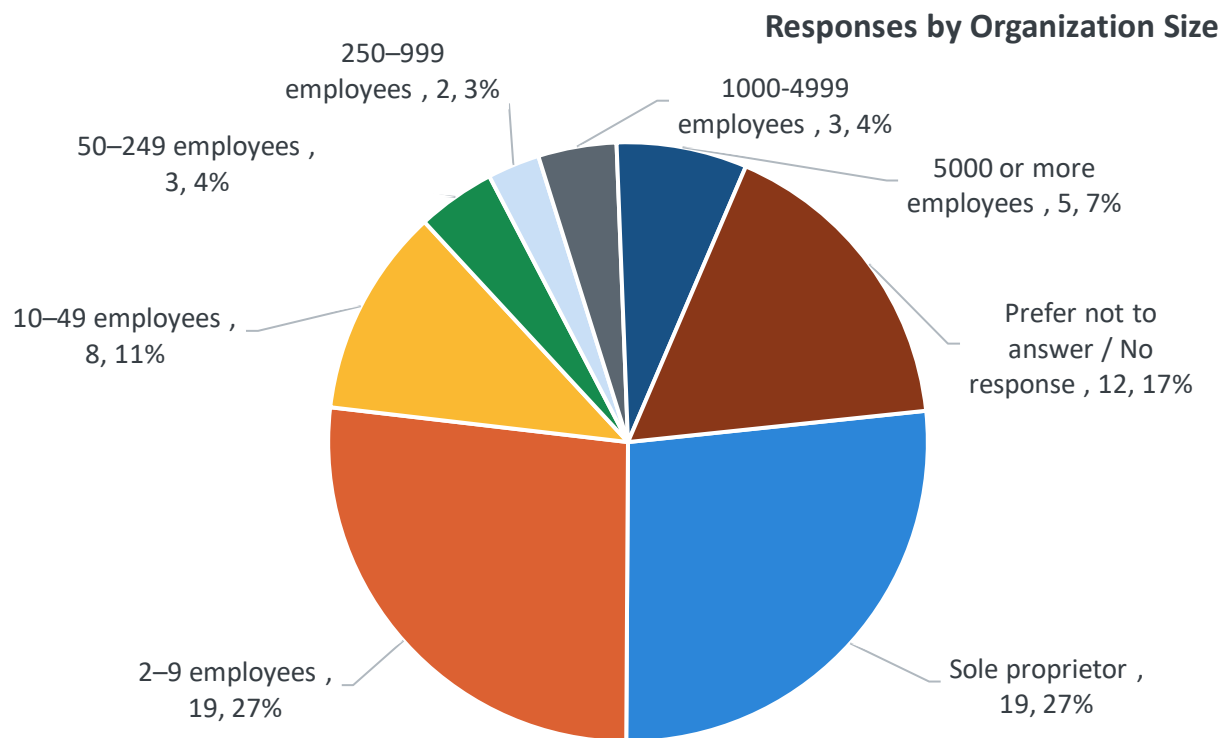
Certification	Number of responses	Percent
Minority-owned	3	1%
Women-owned	76	30%
Veteran-owned	5	2%
Multiple categories apply	22	9%
None of the above	86	34%
Prefer not to answer / No response	62	24%
<b>TOTAL</b>	<b>254</b>	



# INFORMATION TECHNOLOGY SERVICES AND CUSTOM WEBSITE DEVELOPMENT SERVICES

## Size of Organization

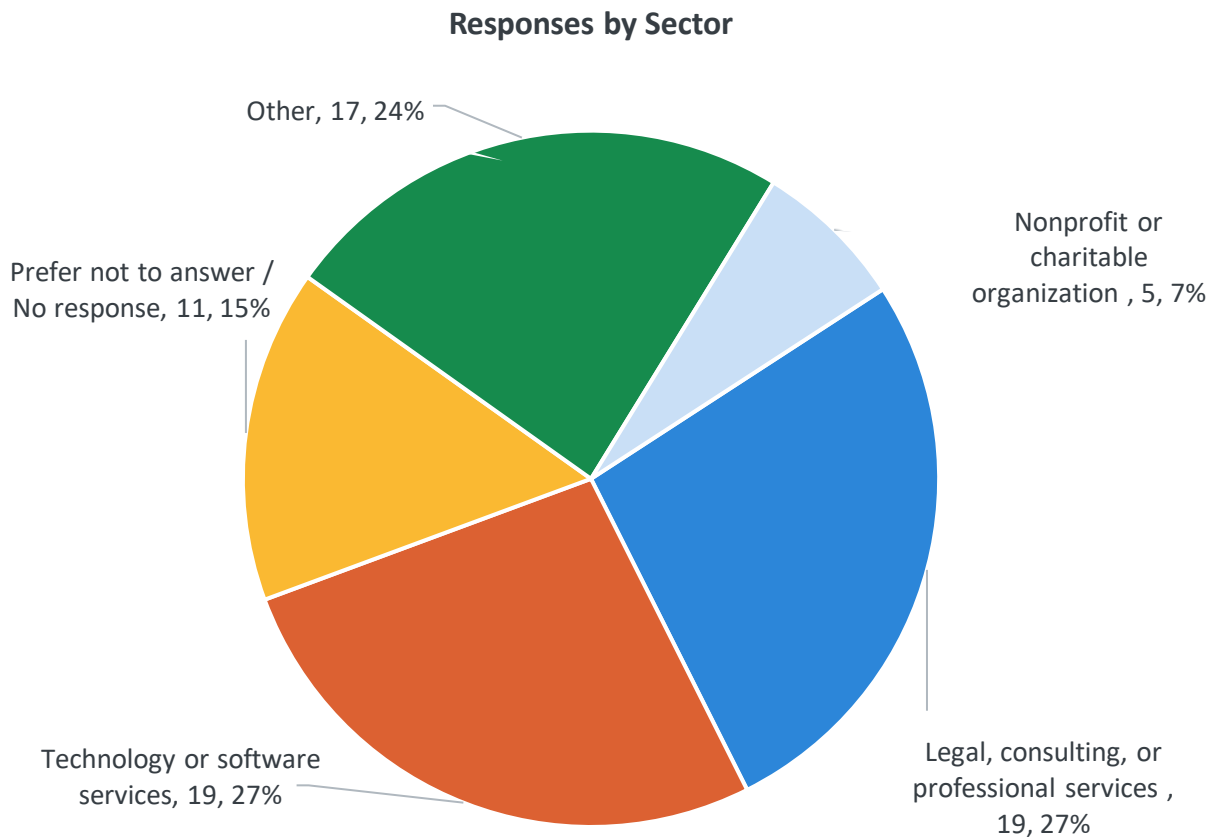
The following reflects the voluntary self-reported size of organization information from survey respondents who answered Information Technology services and custom website development questions.



Size	Number of responses	Percent
Sole proprietor	19	27%
2-9 employees	19	27%
10-49 employees	8	11%
50-249 employees	3	4%
250-999 employees	2	3%
1000-4999 employees	3	4%
5000 or more employees	5	7%
Prefer not to answer/No response	12	17%
<b>Total</b>	<b>71</b>	

## Industry sector

The following reflects voluntary self-reported industry information from survey respondents who answered Information Technology services and custom website development questions.

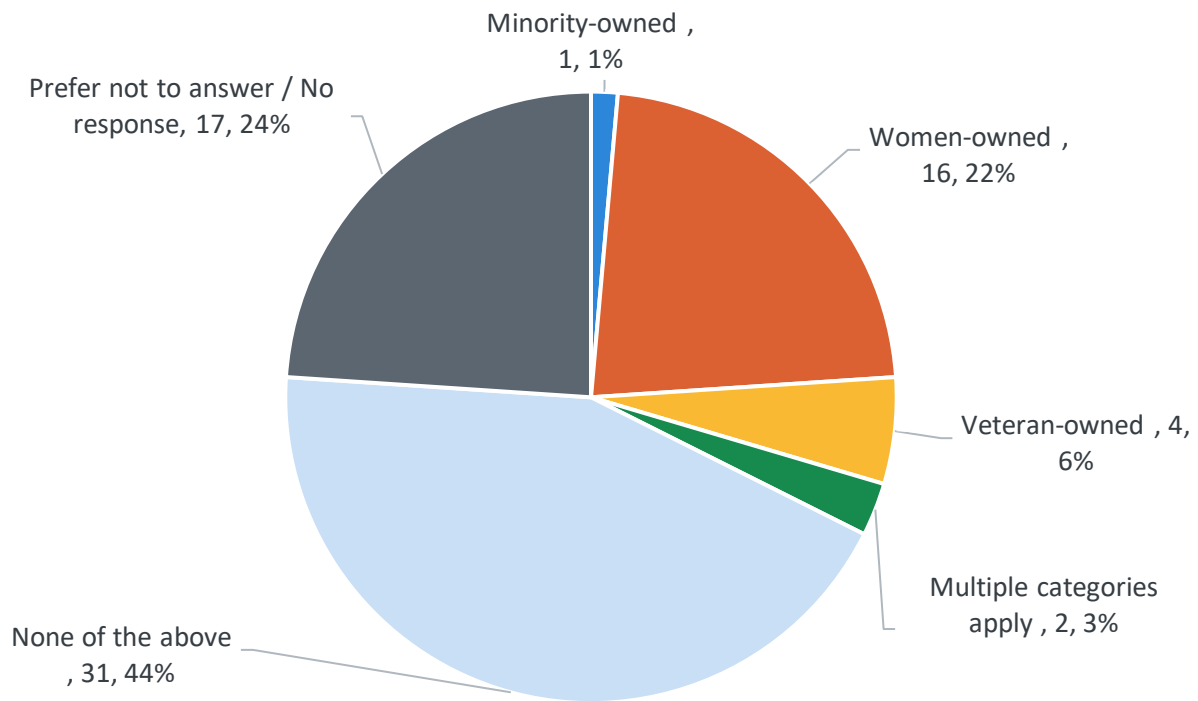


Sector or Industry	Number of responses	Percent
Legal, consulting, or professional services	19	27%
Technology or software services	19	27%
Nonprofit or charitable organization	5	7%
Other	17	24%
Prefer not to answer / No response	11	15%
<b>TOTAL</b>	<b>71</b>	

## Business certification and ownership type

The following reflects voluntary business certification status or self-identified ownership type from survey participants who answered Information Technology services and custom website development questions.

### Responses by Business Certification



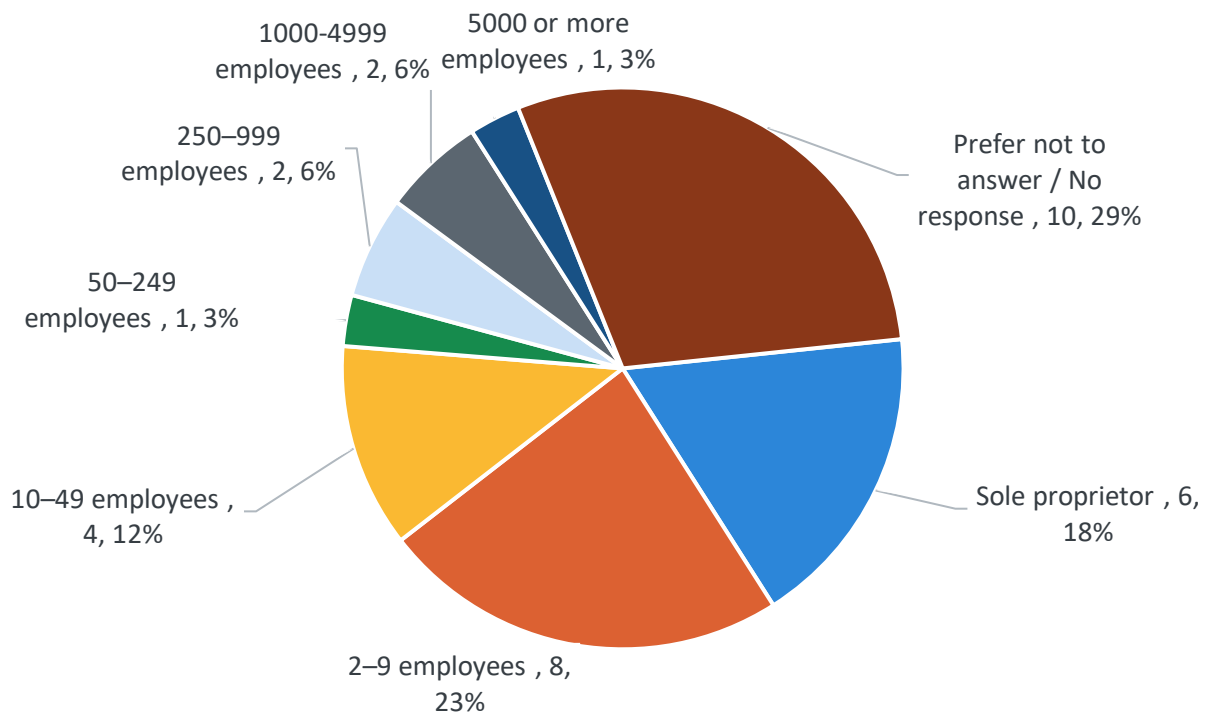
Certification	Number of responses	Percent
Minority-owned	1	1%
Women-owned	16	22%
Veteran-owned	4	6%
Multiple categories apply	2	3%
None of the above	31	44%
Prefer not to answer / No response	17	24%
<b>TOTAL</b>	<b>71</b>	

# CUSTOM SOFTWARE AND CUSTOMIZATION OF PREWRITTEN SOFTWARE

## Size of Organization

The following reflects the voluntary self-reported size of organization information from survey respondents who answered custom software and customization of prewritten software questions.

### Responses by Organization Size

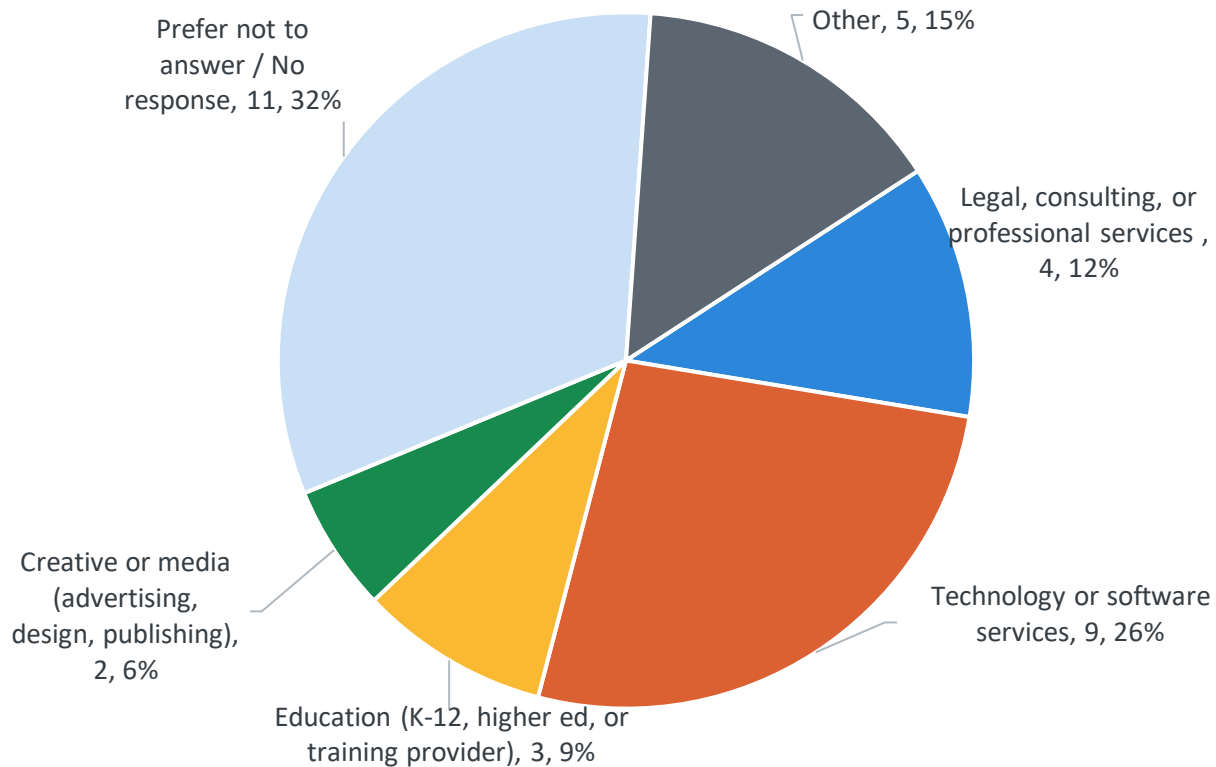


Size	Number of responses	Percent
Sole proprietor	6	18%
2-9 employees	8	23%
10-49 employees	4	12%
50-249 employees	1	3%
250-999 employees	2	6%
1000-4999 employees	2	6%
5000 or more employees	1	3%
Prefer not to answer/No response	10	29%
<b>Total</b>	<b>34</b>	

## Industry sector

The following reflects voluntary self-reported industry information from survey respondents who answered custom software and customization of prewritten software questions.

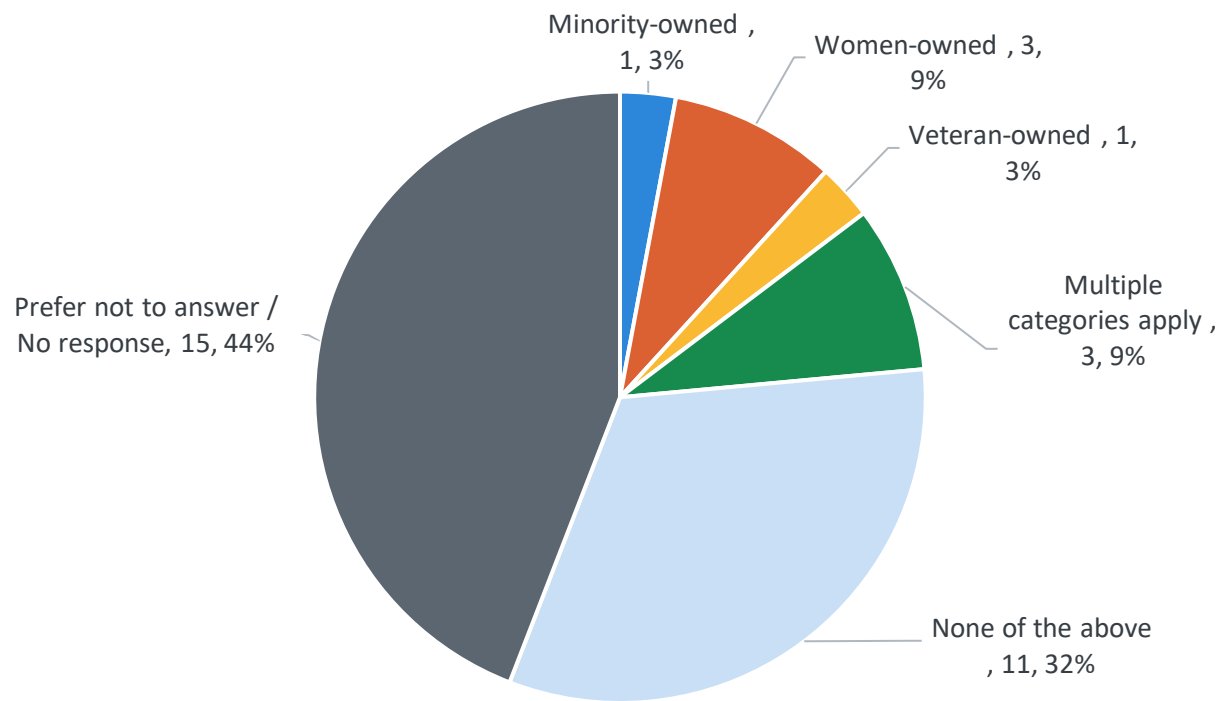
Responses by Sector



## Business certification and ownership type

The following reflects voluntary business certification status or self-identified ownership type from survey participants who answered custom software and customization of prewritten software questions.

### Responses by Business Certification



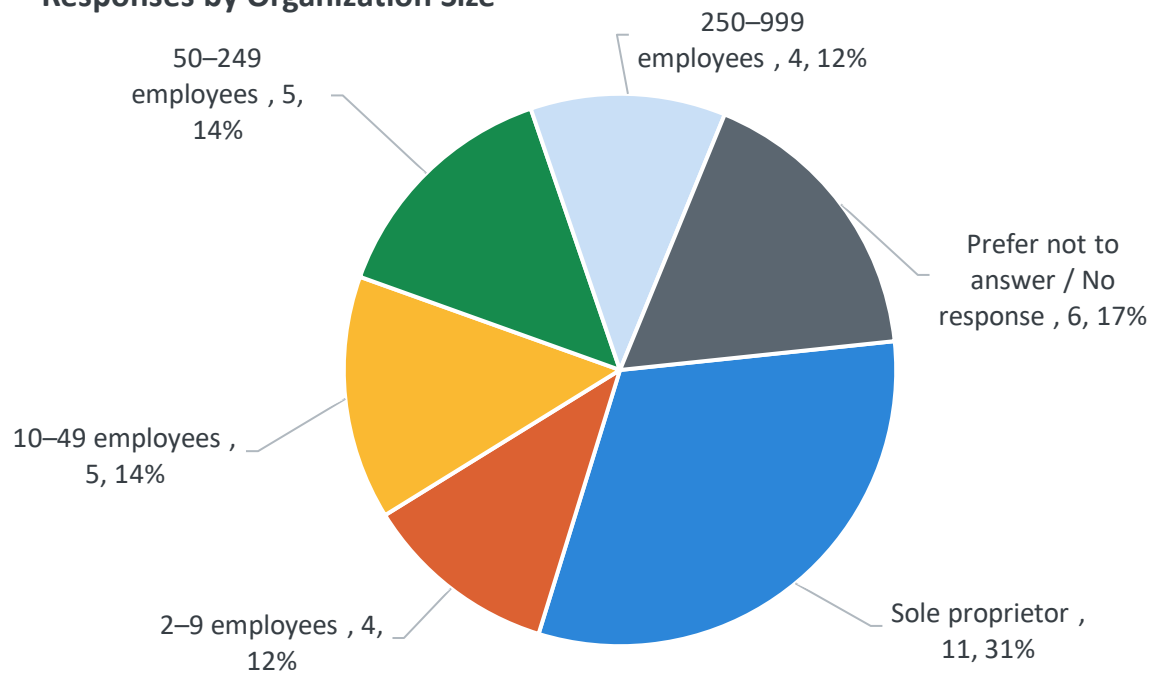
Certification	Number of responses	Percent
Minority-owned	1	3%
Women-owned	3	9%
Veteran-owned	1	3%
Multiple categories apply	3	9%
None of the above	11	32%
Prefer not to answer / No response	15	44%
<b>TOTAL</b>	<b>34</b>	

## INVESTIGATION, SECURITY, AND ARMORED CAR SERVICES

### Size of Organization

The following reflects the voluntary self-reported size of organization information from survey respondents who answered investigation, security, and armored car services questions.

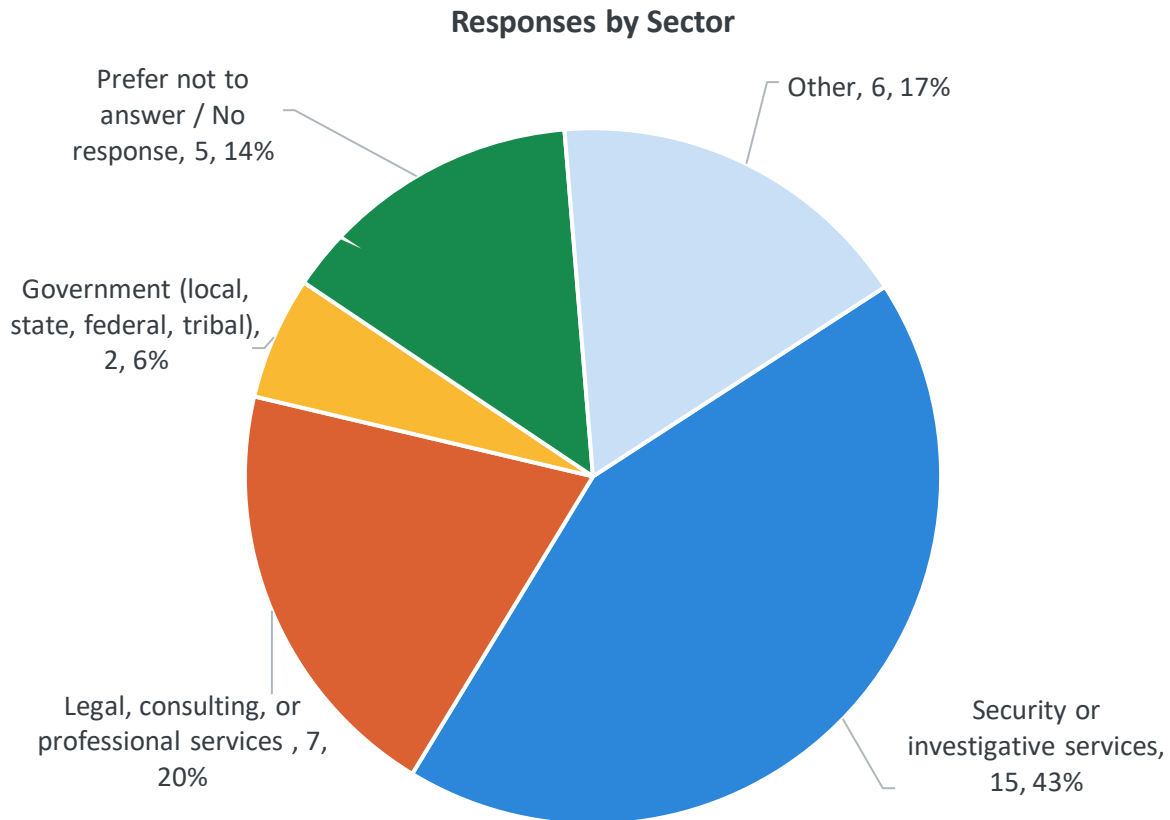
**Responses by Organization Size**



Size	Number of responses	Percent
Sole proprietor	11	31%
2-9 employees	4	12%
10-49 employees	5	14%
50-249 employees	5	14%
250-999 employees	4	12%
1000-4999 employees	0	0%
5000 or more employees	0	0%
Prefer not to answer/No response	6	17%
Total	35	

## Industry sector

The following reflects voluntary self-reported industry information from survey respondents who answered investigation, security, and armored car services questions.



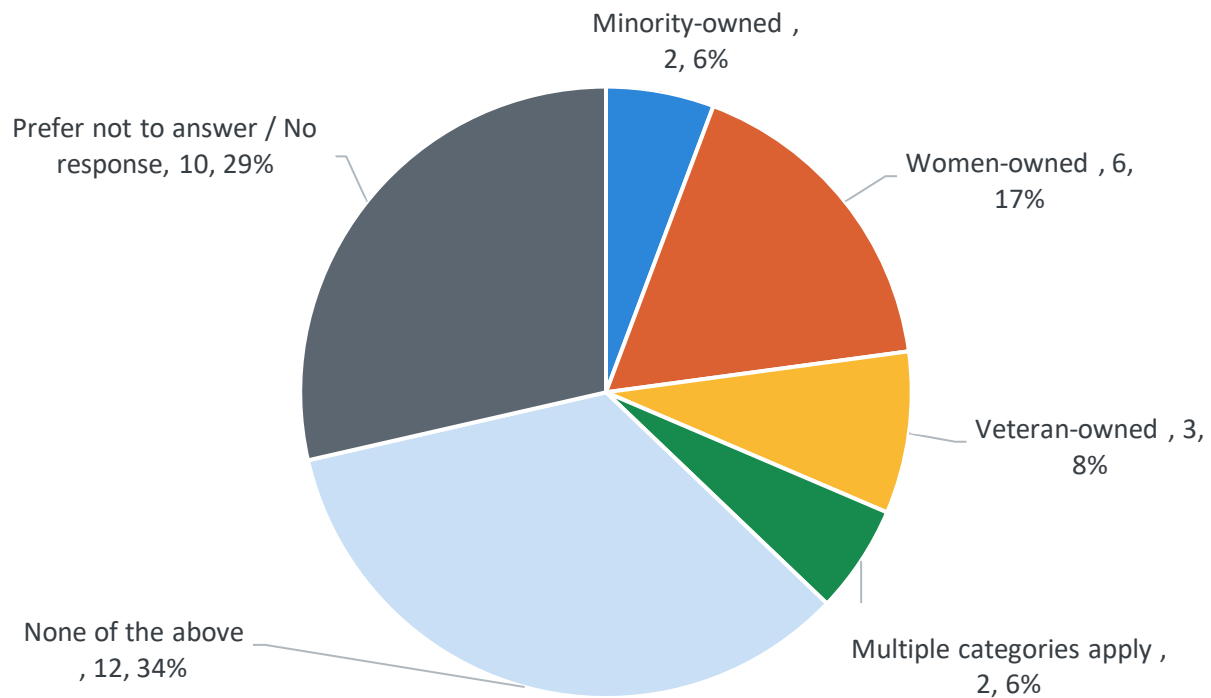
Sector or Industry	Number of responses	Percent
Security or investigative services	15	43%
Legal, consulting, or professional services	7	20%
Government (local, state, federal, tribal)	2	6%
Other	6	17%
Prefer not to answer / No response	5	14%
<b>TOTAL</b>	<b>35</b>	



## Business certification and ownership type

The following reflects voluntary business certification status or self-identified ownership type from survey participants who answered investigation, security, and armored car services questions.

### Responses by Business Certification



Certification	Number of responses	Percent
Minority-owned	2	6%
Women-owned	6	17%
Veteran-owned	3	8%
Multiple categories apply	2	6%
None of the above	12	34%
Prefer not to answer / No response	10	29%
<b>TOTAL</b>	<b>35</b>	