

Special Notice

Intended audience: Nonprofit organizations that receive salmon recovery grants.

July 29, 2021

Reporting salmon recovery grants

Effective April 26, 2021, salmon recovery grants received by nonprofit organizations from qualifying grantors are deductible from business and occupation (B&O) tax and retail sales tax. Nonprofit organization has the same meaning as in [RCW 82.04.3651](#).

Who is a qualifying grantor?

To qualify for exemption, the grants must be received directly from one of the following sources:

- The United States or any of its instrumentalities.
- The state of Washington.
- A municipal corporation or subdivision of the state of Washington.
- An Indian tribe as defined in [RCW 43.06.523](#)

How is the salmon recovery grant reported

Nonprofit organizations that receive a qualifying grant will:

- Report the total amount received on their excise tax return under either:
 - ◇ The Service and Other Activities B&O tax classification.
 - ◇ The Retailing B&O and Retail Sales tax classifications.
- Take a deduction using the new Nonprofit Salmon Recovery Grants classification.

Does the exemption apply to purchases?

No. Nonprofit organizations that receive qualifying grants must pay sales or use tax on purchases of:

- Tangible personal property.
- Constructing, repairing, decorating, or improving new or existing buildings or other structures.
- Installing or attaching tangible personal property to buildings or other structures.
- Clearing land or moving earth.
- Razing or moving existing buildings or structures.
- Landscape maintenance and horticultural services.

Definitions

Salmon recovery grant means financial assistance provided to primarily benefit the public as a whole by renewing, restoring, or protecting, by human intervention, salmon ecosystems or salmon habitats in this state.

More information

See [Engrossed Senate Bill 5220](#).

Questions?

Please visit dor.wa.gov or call 360-705-6705.