

Items for dual purposes

If you don't know at the time of purchase whether item(s) will be consumed or resold, you must purchase according to the general nature of your business.

- If your business principally (more than 50 percent) consumes the item(s), you should not use a reseller permit for that purchase.
- If your business principally resells the item(s), you may use a reseller permit and then report use tax on the item(s) consumed.

Permits may be revoked

You, as the buyer, are solely responsible for paying the appropriate taxes (sales tax or use tax) on all purchases. Misuse of your reseller permit:

- Subjects you to a penalty of 50 percent of the tax due, in addition to the tax, interest, and penalties imposed.
- May result in your permit being revoked.

Businesses (sellers) accepting reseller permits

If you accept reseller permits, please follow these rules:

- To make sales without collecting sales tax, you need to obtain a valid reseller permit or exemption certificate.
- You must keep either paper or electronic copies of the reseller permit.
- If a business does not have a valid reseller permit or exemption certificate on file with you, you need to collect sales tax.
- You may refuse to make a sale without charging tax if you have reason to believe:
 - your customer is not reselling the items.
 - the permit is expired or otherwise not valid.
- For audit purposes, you must keep reseller permits on file for five years from the date of last use.

As part of the audit process, the Department of Revenue routinely examines purchases made with reseller permits to verify the permits are being used appropriately.

Sellers are not responsible for uncollected sales tax if they have a valid reseller permit or exemption certificate that supported the sale.

For more information about reseller permits

Visit our web site at dor.wa.gov/resellerpermit. If you have questions, please call 1-800-647-7706.


Reseller Permit

Reseller permits allow you to make qualifying purchases for resale without paying sales tax.

Reseller Permit

To inquire about the availability of this document in alternate format for the visually impaired, please call (360) 705-6715.

Teletype (TTY) users please call 1-800-451-7985.
Prepared by the Taxpayer Services Division

 Printed on recycled paper

Effective JAN 1st 2010

Resale certificates are no longer valid. To purchase items for resale without paying sales tax, you must provide the seller with a copy of your reseller permit.

Things to know about your reseller permit

Permit number: This number is unique to your business. The last two digits of your permit number are the year it expires.

Effective dates: Your permit's effective dates are listed in the upper-right corner of the permit.

Verification: Beginning in January 2010, businesses accepting reseller permits may check the Department's online database to make sure permits are valid.

Misuse: Misuse of your permit may result in penalties and the permit being revoked.

Using your reseller permit

Provide a copy (paper or electronic) to each business from which you purchase items for resale. If you don't provide a copy, the business will need to charge you sales tax on your purchases.

Use your reseller permit to buy:

- Merchandise and inventory that you directly resell without using.
- Ingredients, components, or chemicals used in processing new products for sale.
- Feed, seed, seedlings, fertilizer, and spray materials if you are a farmer.
- Materials and contract labor for retail/wholesale construction.
- Items for dual purposes (see back of this brochure).

Do not use your reseller permit to buy:

- Items for personal or household use.
- Items used in your business that are not resold, such as office supplies and equipment.
- Promotional items or gifts.
- Tools, equipment, or equipment rentals.
- Materials and contract labor for public road construction or U.S. government contracting (see back of permit for more information).
- Materials and contract labor for speculative building (see back of permit for more information).

If your business is a...	You may use your permit to purchase...	You may not use your permit to purchase...
Contractor performing custom construction projects, painting contractor, electrical contractor, plumber	Materials that become part of the completed project, and subcontractor services.	Hand tools, power tools, equipment (rented or purchased), ladders, rollers, brushes, or supplies (tape, sandpaper, drop cloths).
Contractor performing speculative building, public road construction, or U.S. government contracting	Nothing. The permit may not be used to purchase anything when performing these types of construction projects.	Any materials, subcontractor services, supplies, or equipment (rented or purchased) related to these projects.
Competitive telephone service provider	Products or services provided to consumers as part of telephone service.	Tools, equipment, leasehold, or building improvements, cable, switching equipment, and supplies.
Restaurant or caterer	Meal ingredients, liquor, beer, wine, and soft drinks. Also purchases for "to-go" food sales (i.e. paper/plastic plates, cups, lids, plastic utensils, paper napkins, straws, and "to-go" food containers).	Furnishings (chairs, tables, décor), leasehold or building improvements, dishes, silverware, plastic trays, guest checks, printing services, cleaning supplies, office supplies, pest control services, tap cleaning, equipment (purchased or rented – ovens, grills, coffee makers), repair/parts/labor, and vending machines.
Automotive repair shop, service station	Tires, batteries, auto parts, antifreeze, and oil sold to customers.	Tools, equipment, building improvements, shelves, shop supplies and cleaning supplies, such as rags and hand cleaner.
Physician's practice, accounting company, architecture firm, real estate agency or any professional service business	Nothing. (Professional service businesses are consumers of all materials and supplies used in performing their services.)	Office furniture, equipment, leasehold or building improvements, software, magazine/subscriptions, and supplies used in the business.
Janitorial service company	Nothing. (Janitorial service businesses may not use a permit unless they directly resell and report retail sales of cleaning supplies.)	Supplies or equipment used in performing cleaning services, and office supplies/equipment.



STATE OF WASHINGTON

RESELLER PERMIT

Washington State Department of Revenue

PO Box 47476 • Olympia, WA 98504-7476 • 1-800-647-7706

Issued to:

600 600 600
John Doe
John Doe Inc.
1234 Nowhere Rd
Anywhere, WA 99999

Permit Number: X14 8694 13

Effective Date: 01-01-2010

Expiration Date: 12-31-2013

Business Activity:

Miscellaneous Wholesale

This permit can be used to purchase:

- Merchandise and inventory for resale without intervening use
- Ingredients, components, or chemicals used in processing new articles of tangible personal property produced for sale
- Feed, seed, seedlings, fertilizer, and spray materials by a farmer
- Materials and contract labor for retail/wholesale construction
- Items for dual purposes (see Purchases for Dual Purposes on back)

This permit cannot be used to purchase:

- Items for personal or household use
- Items used in your business that are not resold, such as office supplies and equipment
- Promotional items or gifts
- Tools, equipment, or equipment rentals
- Materials and contract labor for public road construction or U.S. government contracting (see Definitions on back)
- Materials and contract labor for speculative building

The business named on this permit acknowledges:

- It is solely responsible for all purchases made under this permit
- Misuse of the permit:
 - Subjects the business to a penalty of 50 percent of the tax due, in addition to the tax, interest, and penalties imposed (RCW 82.32.291)
 - May result in this permit being revoked

Notes (optional): _____

Important: The Department of Revenue may use information from sellers to verify all purchases made with this permit were qualified.

Director, Department of Revenue

IMPORTANT

Please read the following information carefully.

Step 1: Provide paper or electronic copies to sellers from which you make purchases.

Step 2: Keep your original reseller permit on file.

If you have a change in business structure (e.g. sole proprietor, partnership/corporation), you will need to reapply for a new permit under your new tax registration number.

For a complete list of approved uses for your reseller permit, please refer to RCW 82.04.060 and RCW 82.04.050.

Purchases for Dual Purposes

If you don't know at the time of purchase whether item(s) will be consumed or resold, you must purchase according to the general nature of your business.

- If your business principally (more than 50 percent) consumes the item(s), you should not use a reseller permit for that purchase.
- If your business principally resells the item(s), you may use a reseller permit and then report use tax on the item(s) consumed.

Contractor Information

Contractors may not use the permit for the following types of transactions:

- Purchase/rental of equipment or tools
- Purchase of supplies that do not become an ingredient or component part of the project (e.g. sandpaper, masking tape, saw blades, etc.)
- Purchase of materials and contract labor for public road construction or U.S. government contracting
- Purchase of all materials and contract labor for speculative building

Definitions

Materials and Contract labor

"Materials" refers to items that become part of real property built or improved, such as lumber, concrete, paint, wiring, pipe, insulation, nails, screws, drywall, etc. This does not include consumable supplies, tools, or equipment rentals.

"Contract labor" refers to contractors and subcontractors hired to perform construction services. The purchase of contract labor refers to the total amount charged by a contractor or subcontractor.

Retail/Wholesale construction

"Retail/Wholesale construction" refers to the constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property. Retail/Wholesale construction does not include U.S. government contracting, public road construction, or speculative building.

Public road construction

"Public road construction" refers to a prime contractor or subcontractor building, repairing, or improving a roadway owned by the federal government, municipal corporation, or political subdivision. Public road construction does not include the building, repairing, or improving a roadway owned by the state of Washington; this is a retail/wholesale construction activity.

Speculative building

"Speculative building" refers to the construction of buildings for sale or rental by a person or entity upon real estate owned by that person or entity.

U.S. government contracting

"U.S. government contracting" refers to businesses performing construction or improvements to real property of, or for, the United States or a city/county housing authority. It includes construction and repairs to structures, clearing land, and moving earth.

More Information

Application forms and complete information are available online at dor.wa.gov or by calling 1-800-647-7706.

Seller Information

A seller accepting a reseller permit will not be held liable for any uncollected sales tax.

The seller must keep a copy of the reseller permit in its records for five years after its last use.

