

# Special Notice

*Intended audience: retailers and nonresident consumers*

**May 31, 2019**

## **Changes to the sales tax exemption for qualified nonresidents**

Starting July 1, 2019, the retail sales tax exemption for qualified nonresident consumers will no longer be available at the point of sale. Instead, these consumers may request a refund from the Department of Revenue for the state portion of the sales tax they paid. No refund is available for the local portion of the retail sales tax paid.

### **Qualified nonresidents**

Qualified nonresidents are residents of a state (other than Washington), United States possession, or Canadian province or territory that imposes a sales tax or similar tax—such as a value added tax—of less than 3%. As of July 1, 2011, only residents of the following qualify:

<b>States</b>	<b>US possessions</b>	<b>Canadian provinces/territories</b>
Alaska	American Samoa	Alberta
Colorado		Northwest Territories
Delaware		Nunavut
Montana		Yukon
New Hampshire		
Oregon		

### **Sellers**

Effective July 1, 2019, retailers must begin collecting retail sales tax from nonresidents when the nonresident takes delivery of the merchandise at the Washington location.

PO BOX 47478 | OLYMPIA, WASHINGTON 98504-7478 | 1-800-647-7706 | [dor.wa.gov](http://dor.wa.gov)

For tax assistance or to request this document in an alternate format, visit <http://dor.wa.gov> or call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711.

## Buyers

Qualified nonresident consumers must pay retail sales tax at the point of sale in Washington. They should keep their receipts to submit with their refund request.

## Refund requests

Qualified nonresidents can request a refund directly from the Department of Revenue for the *state* portion of the retail sales tax (6.5% of the sales price) they paid on purchases of tangible goods, digital goods, and digital codes.

- Nonresidents can request refunds beginning Jan. 1, 2020 for purchases made between July 1, 2019 and Dec. 31, 2019.
- The refund request must include copies of receipts and proof of qualified nonresidency.
- Requests are limited to one per person per calendar year.
- The request must total \$25 or more in state sales tax paid. Requests for amounts less than \$25 will be denied.
- More information about the refund request process is available on our website: [dor.wa.gov/nonresidents](http://dor.wa.gov/nonresidents).

## What purchases are not eligible for a refund?

Certain retail purchases of tangible goods are not eligible for a refund:

- marijuana and marijuana products
- repair parts when not separately stated from repair labor
- items or services substantially used or consumed within Washington such as:
  - lodging
  - meals
  - laundry or dry cleaning services
  - automobile towing or parking
  - recreational services

## What does not change?

There are no changes to the exemptions for sales to nonresidents of the following items:

- motor vehicles ([RCW 82.08.0264](http://rcw.wa.gov/82.08.0264))
- watercraft ([RCW 82.08.0266](http://rcw.wa.gov/82.08.0266))
- farm machinery ([RCW 82.08.0268](http://rcw.wa.gov/82.08.0268))
- vessels ([RCW 82.08.700](http://rcw.wa.gov/82.08.700))

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Sales of these items to qualified nonresidents can be deducted on the excise tax return using the new deduction named *In-State Sales of Motor Vehicles, etc. to Nonresidents*.

## More information

[Engrossed Substitute Senate Bill 5997](#)

## Questions

Call 1-800-647-7706 with tax questions.

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