



Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

OCTOBER 22, 2009

Reseller Permits to Replace Resale Certificates

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Effective January 1, 2010, Senate Bill 6173 requires buyers to use a reseller permit issued by the Department of Revenue or other acceptable documentation (see #8 below) when purchasing goods for resale.

1. Resale certificates are no longer valid

Buyers will no longer be able to use self-issued resale certificates and sellers will no longer accept or honor these certificates. Instead, buyers must provide a copy of their new reseller permit - issued by the Department of Revenue – or other acceptable documentation to purchase goods for resale.

Sellers should begin collecting sales tax from their customers on sales made on or after January 1, 2010, unless the customer provides a copy of their reseller permit or other acceptable documentation.

2. What is a reseller permit?

The reseller permit is a document issued by the Department that allows businesses to make wholesale purchases without paying sales tax for goods and services they resell. It is also the seller's documentation for the wholesale sale.

3. Who is eligible for a permit?

Reseller permits are free and will be issued to businesses that report retail, wholesale, and manufacturing activities on their excise tax returns.

4. How do I get a permit?

In September of 2009, the Department will mail permits to qualifying businesses. Businesses that don't automatically receive a permit may apply. The permit application can be found on our web site at <http://dor.wa.gov/resellerpermit>.

5. When will I get my permit?

Businesses that are automatically issued a permit will receive their permit in September.

If you are applying, the Department will review your application and in most cases notify you within 10 days, but may take up to 60 days from the date of application.

6. How do I use my reseller permit?

Make copies of your original permit and provide a copy to each vendor or supplier where you make qualifying purchases. You may also make a scanned copy of your permit and e-mail it to your vendors.

A reseller permit is not transferable, and the use of a permit may not be assigned to a third party.

7. What if I don't qualify for a permit but I make purchases for resale?

If you make qualifying purchases without a permit or other acceptable documentation, you must pay sales tax at the time of purchase. You may recover the sales tax you paid by taking a deduction on your excise tax return using the Taxable Amount for Tax Paid at Source deduction from the retail sales tax classification or you may request a refund directly from the Department.

8. Can a buyer use, and a seller accept, other documentation instead of a reseller permit?

Any buyer may use, and a seller may accept, a Streamlined Sales and Use Tax Agreement Exemption Certificate instead of the reseller permit. However, if the buyer is required to be registered with the Department of Revenue, the buyer must provide its reseller permit number on the Streamlined Sales and Use Tax Agreement Exemption Certificate.

If a buyer is not required to be registered with the Department, the buyer may also use, and a seller may accept, a Multi-State Tax Commission Exemption Certificate instead of the reseller permit.

A farmer who is not required to be registered with the Department may also use, and a seller may accept, a *Farmers' Certificate for Wholesale Purchases and Sales Tax Exemptions* to make qualifying purchases without payment of sales tax. Qualifying purchases include feed, seed, seedlings, fertilizer, spray materials, or agents for enhanced pollination; chemical sprays and washes for the post-harvest treatment of fruit for the prevention of scald, fungus, mold, or decay; or items of tangible personal property for resale without intervening use.

These forms are available at <http://dor.wa.gov/resellerpermit>.

For more information

If you have questions or need assistance, call 360-705-6705.