

**City of Lynden
Transportation Benefit District
Car Dealers and Leasing Companies
Effective April 1, 2025**

Effective April 1, 2025, local sales and use tax within the City of Lynden will increase one-tenth of one percent (.001). The tax will be used for transportation services.

Businesses must collect the appropriate new rate of sales tax for retail sales and services provided within the City of Lynden. Persons or businesses within the City of Lynden will be subject to the new rate of use tax on items purchased for their personal or business use if sales tax has not been paid.

Special Reporting Instructions for Sales or Leases of Motor Vehicles:

Businesses that report sales or leases of motor vehicles (for up to the first 36 months of the lease) will need to report using the following location code and tax rate. After the first 36 months of motor vehicle leases, the original city code should be used.

| Location | Location Code | Local Sales Tax Rate | State Sales Tax Rate | Total Sales Tax Rate |
|-------------|---------------|----------------------|----------------------|----------------------|
| Lynden MVET | 3755 | .023 | .065 | .088 |

Reporting Instructions for Retail Sales:

Businesses that report retail sales (other than sales or leases of motor vehicles) will need to report using the following location code and tax rate:

| Location | Location Code Number | Local Sales Tax Rate | State Sales Tax Rate | Total Sales Tax Rate |
|----------|----------------------|----------------------|----------------------|----------------------|
| Lynden | 3705 | .026 | .065 | .091 |

Below is an example of how to report local retail sales tax on your excise tax return assuming sales of motor vehicles total \$50,000 and repairs total \$10,000 in the City of Lynden.

| Location Code | Taxable Amount | Local Rate | Tax Due Cities or Co. |
|----------------------|------------------|--------------|-----------------------|
| 3705 | 10,000 00 | .026 | 260 00 |
| 3755 | 50,000 00 | .023 | 1,150 00 |
| TOTAL TAXABLE | 60,000 00 | TOTAL | 1,410 00 |

| Tax Classification | Taxable Amount | Rate | Tax Due |
|----------------------------|----------------|------|---------|
| Motor Vehicle Sales/Leases | 50,000 00 | .003 | 150 00 |

New sales tax applies i.e. service and parts.

Represents only motor vehicle sales.

The three-tenths of one percent (.003) Motor Vehicle Sales/Lease applies to the sale, lease, or rental of motor vehicles.

To determine the proper codes and rates of local sales tax you may access our Tax Rate Lookup Tool located at dor.wa.gov/TaxRateLookup.

This notice is being sent to businesses that have reported local sales or use tax to any of the above location codes within the last year.

If you have questions, or if Sales Tax Collection Schedules are needed, please go to our web site at dor.wa.gov or call the Department of Revenue at 360-705-6705.