

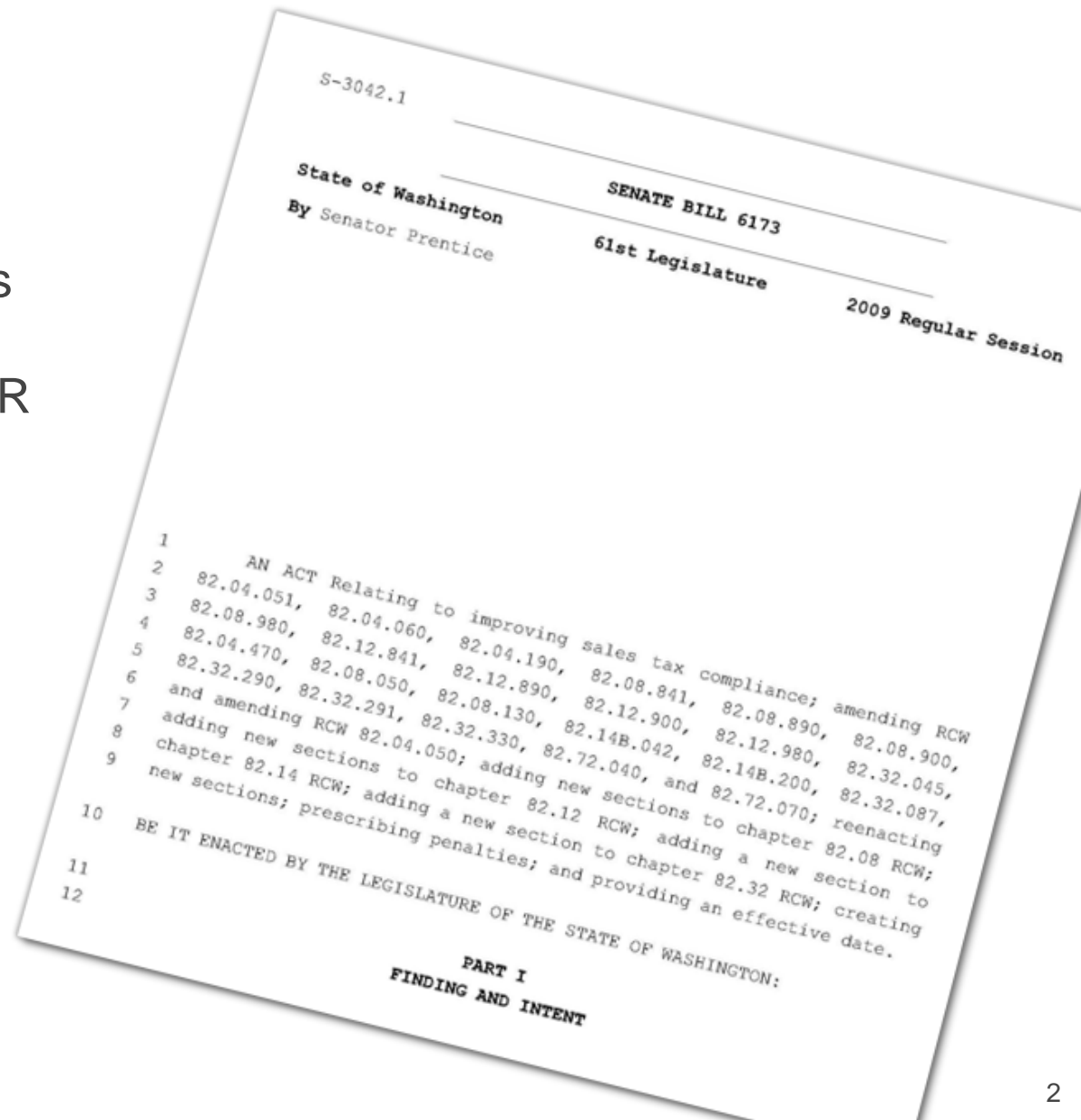
Reseller Permit

Rob Rice, Assistant Director Taxpayer Services
Drew Shirk, Legislative Liaison
November 20, 2009



Senate Bill 6173

- Eliminates resale certificates
- Effective January 1, 2010, businesses may not accept, honor, or use resale certificates
- Free permits are issued by DOR
- Issued only to businesses that make wholesale purchases
- Special requirements for contractors



Business participation



MOSS ADAMS LLP



Issuing permits

- Nearly 500,000 active reporting businesses notified by mail in September
- 155,399 eligible businesses sent permits automatically
- Nearly 41,000 contractors sent application and letter
- More than 286,000 businesses sent letter about change



STATE OF WASHINGTON

RESELLER PERMIT
Washington State Department of Revenue
PO Box 47476 • Olympia, WA 98504-7476 • 1-800-447-7706

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

Business Activity:
Miscellaneous Wholesale

Permit Number: A14 869
Effective Date: 01-01-2010
Expiration Date: 12-31-2013

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
- 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

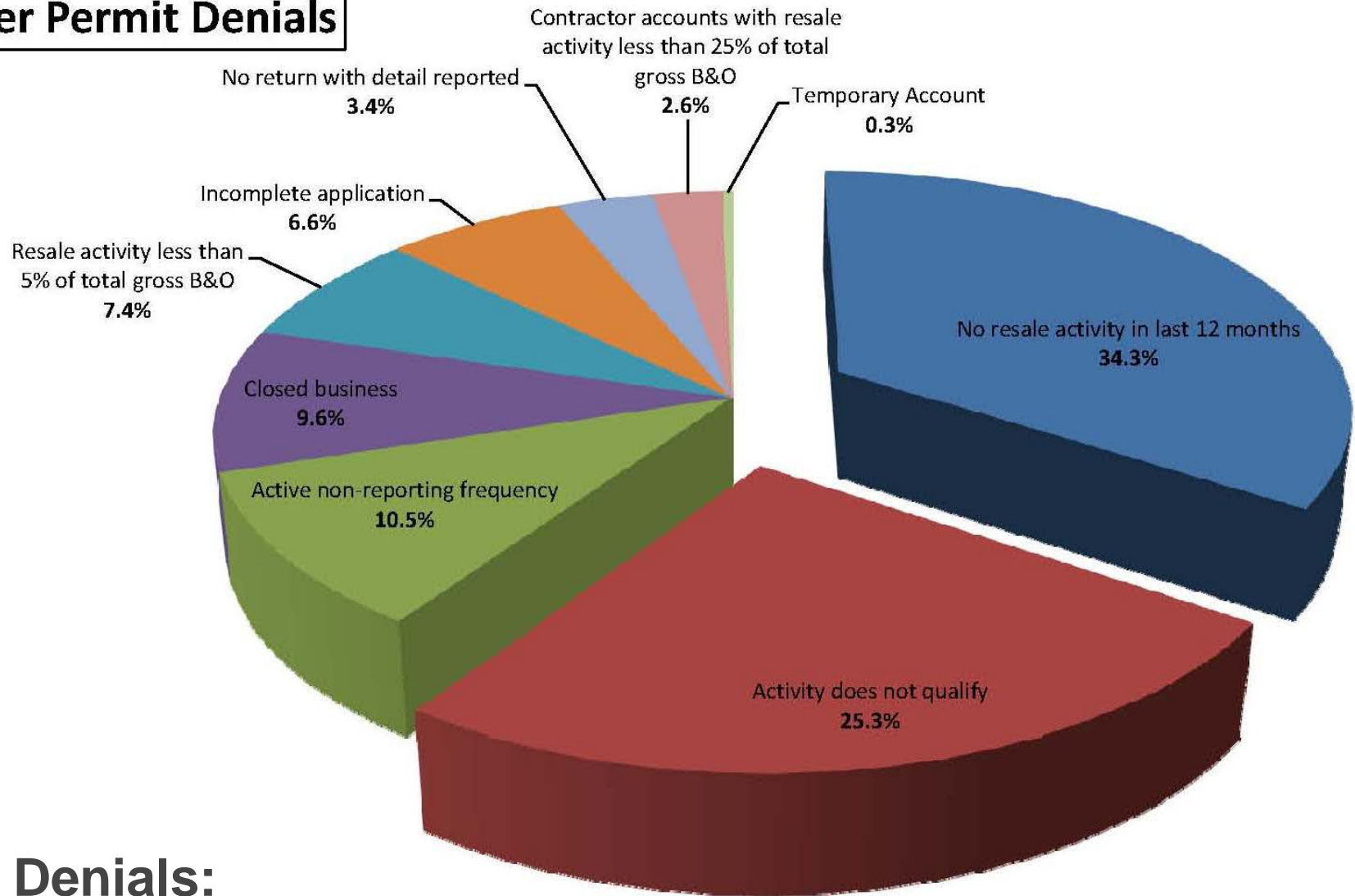
Notes (optional): _____

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

Cindie Holmstrom
Director, Department of Revenue

Permit Denials

Reseller Permit Denials

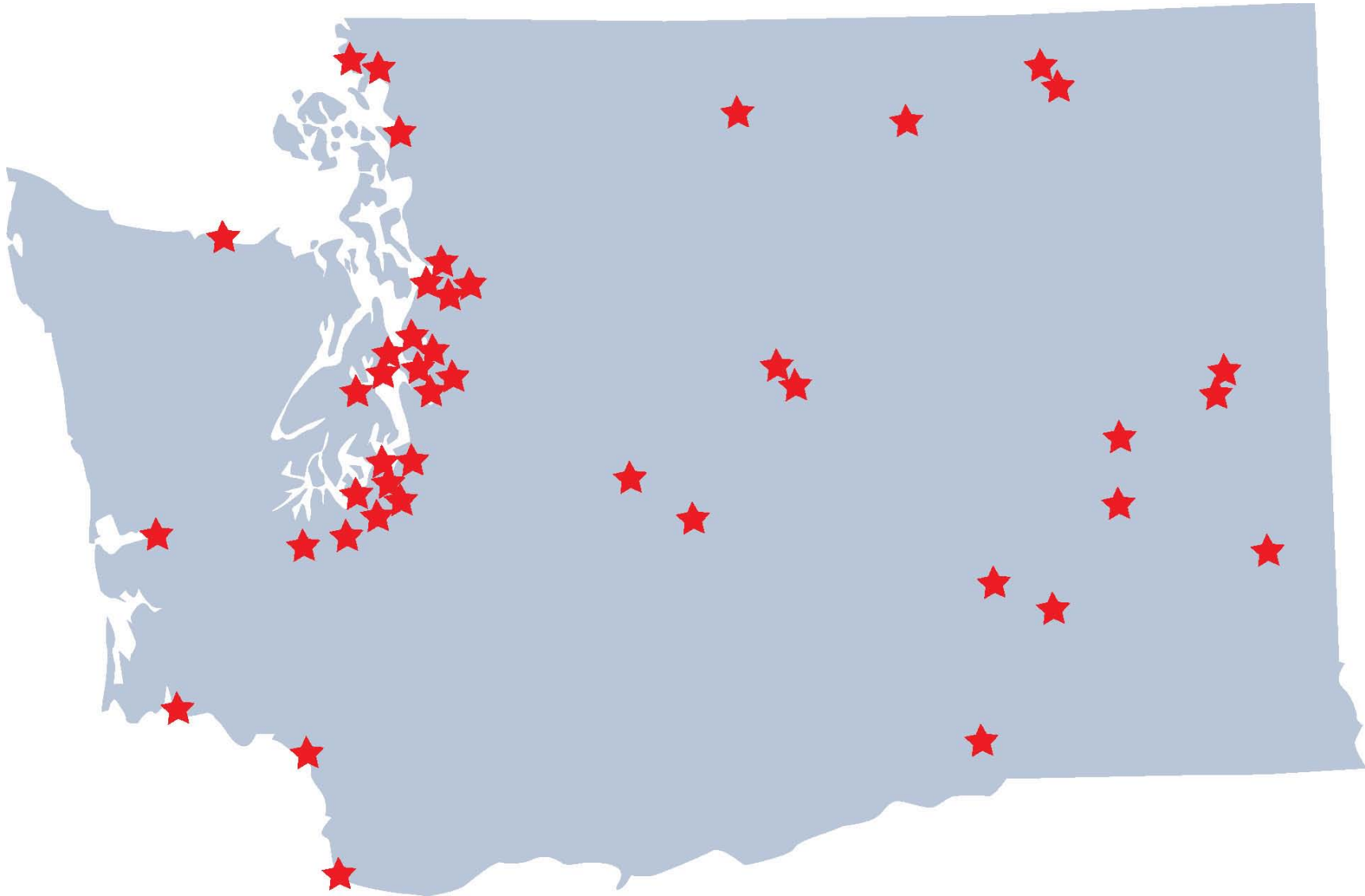


Total Denials:
1,345

- <http://dor.wa.gov/resellerpermit>
- Online video tutorial
- Brochure, posters, signs, information cards, including multilingual
- Nearly 70 association newsletters and regional blog posts
- Nearly 8,000 e-mails and calls to nonprofits and business groups
- Speaking engagements

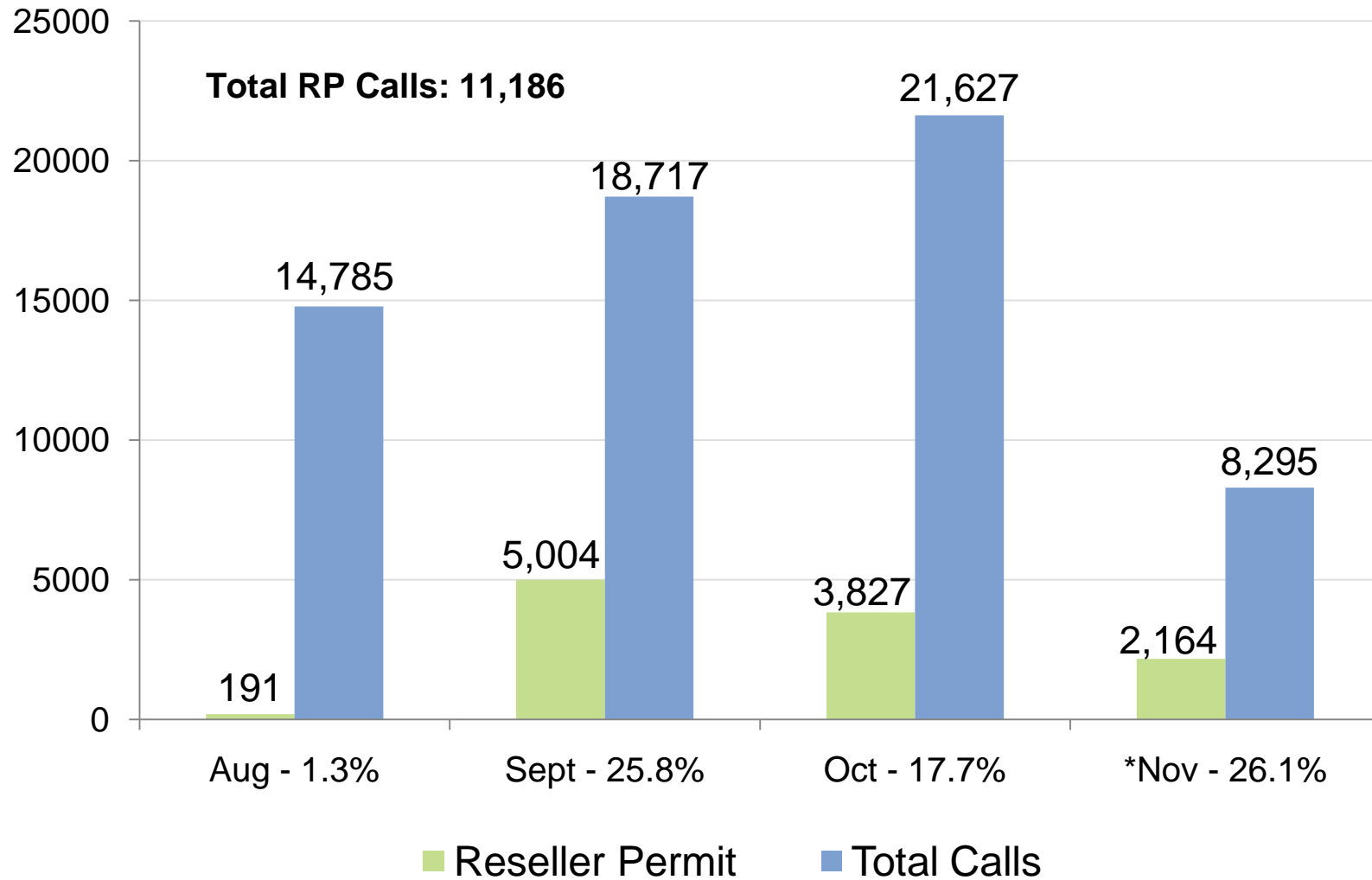


Print and broadcast media



Nearly 50 news stories statewide since June 2009

Inbound calls



* Through November 16

- Change name to “Reseller Permit”
- Define “contractor” by providing references to contractor licensing and registration statutes
- Allow Department to auto-issue permits for some contractors
- Clarify contractors must provide wholesale construction purchase information when applying

- Allow 24-month contractor permits instead of 12-month starting in 2013
- Remove requirement to keep permit copies if permit numbers are verified electronically every year
- Identify criteria for “improper use” for purposes of assessing a 50-percent penalty

Questions?