

THE CITY OF SEATTLE
DIRECTOR'S RULE
IMPLEMENTING SEATTLE BUSINESS TAX ORDINANCE
RULE 5-275

FILED
CITY OF SEATTLE
MAY 15 2007
CITY CLERK

Seattle Rule 5-275 **Installing, cleaning, repairing or otherwise altering or improving personal property of consumers.**

(1) **Retailing.** Persons installing, cleaning, constructing, imprinting, decorating, beautifying, repairing or otherwise altering or improving tangible personal property of or for consumers are taxable under the retailing classification upon the gross proceeds received from the performance of such activities upon tangible personal property.

The following illustrates activities conducted upon tangible personal property which are taxable under the retailing classification:

- (a) Laundering, dyeing and cleaning;
- (b) Boat repairing;
- (c) Shoe repairing and shining;
- (d) Altering or repairing wearing apparel;
- (e) Automobile repairing, washing and painting;
- (f) Cleaning or repairing tangible personal property which is or has been attached to real property such as oil tanks, septic tanks, sewer systems, and sewer lines;
- (g) Repairing of any tangible personal property, such as computers, radios, home appliances, machinery, watches, jewelry, and other items; and

(2) **Wholesaling.** Persons rendering any of the above activities for persons other than consumers are taxable under the wholesaling classification upon the gross proceeds of sales received for each such activity. Sales to persons of materials, which are resold as a part of an article of tangible personal property being repaired, altered or improved, are taxable under the wholesale classification. Therefore, upon the purchaser giving a resale certificate to the seller, the seller's gross proceeds from the following sales would be taxable under the wholesale classification:

- (a) Sales of parts or paint to an automotive repairman;
- (b) Sales of lumber, chandlery, etc., to a boat repairman;
- (c) Sales of shoe findings, thread, nails, polish and dyes to a shoe repairman; and
- (d) Sales of solder, wire, condensers, etc., to a radio or television repairman.

(3) Taxpayers subject to this rule must include within the gross proceeds of sales all charges for activities conducted upon such tangible personal property and all charges representing expenses recovered in connection with such activities, such as transportation, hotel, and restaurant, charges, etc.

(4) Persons residing outside of Seattle may ship articles of tangible personal property into Seattle to be repaired, cleaned or otherwise altered, and thereafter returned to them. The retailing business license tax applies to charges made for the labor and/or the materials used in the repair, cleaning or altering activities, and no interstate deduction is allowed.

(5) For taxability of warranties and maintenance agreements see Seattle Rule 5-133.

Effective: May 15, 2007.

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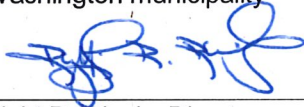
DIRECTOR'S CERTIFICATION

I Dwight D. Dively, Director of the Department of Finance of the City of Seattle, do hereby certify under penalty of perjury of law, that the within and foregoing is a true and correct copy as adopted by the City of Seattle, Department of Finance.

DATED this 14TH day of May, 2007.

CITY OF SEATTLE,
a Washington municipality

By:



Dwight D. Dively, Director
Department of Finance

STATE OF WASHINGTON – KING COUNTY

--SS.

209880
CITY OF SEATTLE:REVENUE &

No. MAKING HEARING

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

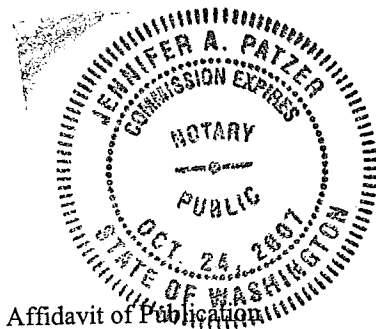
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:NOTICE PROPOSED RULE

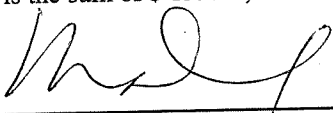
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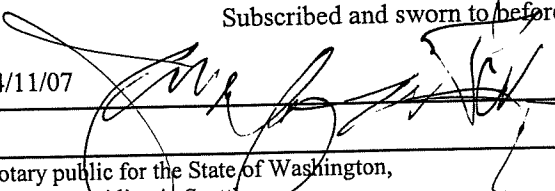
04/11/07

The amount of the fee charged for the foregoing publication is the sum of \$ 139.50, which amount has been paid in full.



Affidavit of Publication



Subscribed and sworn to before me on
04/11/07 

Notary public for the State of Washington,
residing in Seattle

City of Seattle

NOTICE OF PROPOSED RULE
MAKING HEARING

AND OPPORTUNITY TO COMMENT

The Director of Finance, acting under the authority of Seattle Municipal Code Chapters 3.02 and 5.55, proposes to adopt new rules for implementing the Seattle Business License Tax Ordinance (Seattle Municipal Code, Chapter 5.45). Please note that although these rules are applicable to SMC 5.45, the individual rules may also apply to other chapters of the City's Tax Code, including, but not limited to, SMC 5.30 (Definitions), SMC 5.32 (Revenue Code), SMC 5.35 (Commercial Parking Tax), SMC 5.37 (Employee Hours Tax), SMC 5.40 (Admissions Tax), SMC 5.48 (Business Tax - Utilities), SMC 5.52 (Gambling Tax), and SMC 5.55 (General Administrative Provisions). The following rules are proposed for adoption and will become effective as of May 15, 2007:

Seattle Rule 5-000 Rules adopted.

Seattle Rule 5-002 Business license requirements.

Seattle Rule 5-007 Penalties.

Seattle Rule 5-008 Recordkeeping requirements.

Seattle Rule 5-009 Limitations on tax assessments.

Seattle Rule 5-033 When tax liability arises.

Seattle Rule 5-034 Finance charges, carrying charges, interest, and penalties.

Seattle Rule 5-037 Accounting methods.

Seattle Rule 5-039 Employees distinguished from persons engaging in business.

Seattle Rule 5-042 Successor liability.

Seattle Rule 5-044 Value of products.

Seattle Rule 5-064 Credit losses, bad debts, recoveries.

Seattle Rule 5-065 Taxes, deductible and nondeductible.

Seattle Rule 5-067 Accommodation sales.

Seattle Rule 5-068 Pool purchases.

Seattle Rule 5-125 Casual or isolated sales.

Seattle Rule 5-275 Installing, cleaning, repairing or otherwise altering or improving personal property of consumers.

Seattle Rule 5-276 Constructing and repairing of new or existing buildings or other structures upon real property.

Seattle Rule 5-500 Computer software.

Seattle Rule 5-501 Computer hardware.

Seattle Rule 5-502 Taxation of information services and computer related services.

Seattle Rule 5-804 Staffing businesses, staffing services.

Seattle Rule 5-921 Exemptions, deductions and credits available under the employee hours tax.

PUBLIC HEARING AND COMMENT:
The Department of Executive Administration has scheduled a public hearing on the proposed rule changes for 1:00 p.m. to 3:00 p.m., on Monday, April 30, 2007. The hearing will be held in a conference room on the 40th floor of the Seattle Municipal Tower, Suite 4096, located at 700 Fifth Avenue. All interested persons are invited to present data, views, or arguments, with regard to the proposed rules, orally at the hearing, or in writing at or before the hearing.

Written comments should be mailed or delivered to:

Department of Executive
Administration Attn.: Mel McDonald,
Deputy Director Revenue and Consumer
Affairs 700 Fifth Avenue - Suite 4250
P.O. Box 34214 Seattle, Washington
98124-4214

The public may inspect copies of the proposed rules at the Revenue and Consumer Affairs offices, 700 Fifth Avenue, Suite 4250. If you would like a copy of the proposed rules, please call (206) 233-0071, FAX (206) 684-5170, email: rca.bizlictx@seattle.gov, or submit a written request to the address above.

Dwight D. Dively, Director,
Department of Finance

Date of publication in the Seattle Daily
Journal of Commerce, April 11, 2007.

