

**RCW 69.50.570 Bundled transactions—Retail sales—Subject to tax**

**—Exception.** (1) (a) Except as provided in (b) of this subsection, a retail sale of a bundled transaction that includes cannabis product is subject to the tax imposed under RCW 69.50.535 on the entire selling price of the bundled transaction.

(b) If the selling price is attributable to products that are taxable and products that are not taxable under RCW 69.50.535, the portion of the price attributable to the nontaxable products are subject to the tax imposed by RCW 69.50.535 unless the seller can identify by reasonable and verifiable standards the portion that is not subject to tax from its books and records that are kept in the regular course of business for other purposes including, but not limited to, nontax purposes.

(2) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Bundled transaction" means:

(i) The retail sale of two or more products where the products are otherwise distinct and identifiable, are sold for one nonitemized price, and at least one product is a cannabis product subject to the tax under RCW 69.50.535; and

(ii) A cannabis product provided free of charge with the required purchase of another product. A cannabis product is provided free of charge if the sales price of the product purchased does not vary depending on the inclusion of the cannabis product provided free of charge.

(b) "Cannabis product" means "useable cannabis," "cannabis concentrates," and "cannabis-infused products" as defined in RCW 69.50.101.

(c) "Distinct and identifiable products" does not include packaging such as containers, boxes, sacks, bags, and bottles, or materials such as wrapping, labels, tags, and instruction guides, that accompany the retail sale of the products and are incidental or immaterial to the retail sale thereof. Examples of packaging that are incidental or immaterial include grocery sacks, shoeboxes, and dry cleaning garment bags.

(d) "Selling price" has the same meaning as in RCW 82.08.010, except that when product is sold under circumstances where the total amount of consideration paid for the product is not indicative of its true value, "selling price" means the true value of the product sold.

(e) "True value" means market value based on sales at comparable locations in this state of the same or similar product of like quality and character sold under comparable conditions of sale to comparable purchasers. However, in the absence of such sales of the same or similar product, "true value" means the value of the product sold as determined by all of the seller's direct and indirect costs attributable to the product. [2022 c 16 s 109; 2015 2nd sp.s. c 4 s 210.]

**Reviser's note:** The definitions in this section have been alphabetized pursuant to RCW 1.08.015(2) (k).

**Intent—Finding—2022 c 16:** See note following RCW 69.50.101.

**Findings—Intent—Effective dates—2015 2nd sp.s. c 4:** See notes following RCW 69.50.334.