

WAC 458-20-127 Sales of newspapers, magazines and periodicals.

(1) **Introduction.** This section explains the application of the business and occupation (B&O) tax, retail sales tax, and use tax to sales and/or use of newspapers, magazines, and periodicals. The tax reporting information in the section is limited to persons that purchase and resell these publications. The department of revenue (department) has adopted other sections providing tax reporting information to persons printing and/or publishing these publications and other printed materials.

- Persons printing and/or publishing newspapers, magazines, and periodicals should also refer to WAC 458-20-143.

- For information regarding the printing industry in general, see WAC 458-20-144.

- Persons duplicating printed materials for others should also refer to WAC 458-20-141.

- For information regarding potential litter tax liability, see WAC 458-20-243.

(2) **General tax application.** This subsection explains the B&O tax and retail sales tax responsibilities of persons selling newspapers, magazines, and periodicals to consumers, when the seller is not also the printer or publisher of the publication. Refer to subsection (4) of this section for information about tax reporting responsibilities of persons selling through organizers, captains, or others selling from house to house.

Where subscriptions or renewals of subscriptions are mailed directly by purchasers to publishers outside the state, the guidelines contained in WAC 458-20-193 and 458-20-221 apply to the obligation of sellers to collect retail sales or use tax.

(a) **Sales of printed magazines and periodicals.** Sales of magazines and periodicals to consumers by persons operating newsstands, book stores, department stores, drug stores and the like are sales at retail and are subject to the retailing B&O tax and retail sales tax. Refer to WAC 458-20-143 for the definition of "periodical or magazine."

(b) **Magazines and periodicals sold as digital products.** Sales of magazines and periodicals that are transferred electronically to the end user are subject to the retailing B&O tax and retail sales tax regardless of how they are accessed. For more information on the application of tax on digital products, refer to RCW 82.04.050, 82.04.192, and 82.04.257.

(c) **Sales of newspapers.** Sales of printed newspapers to consumers by persons operating newsstands, book stores, department stores, drug stores and the like are sales at retail and are subject to the retailing B&O tax. Sales of newspapers are specifically exempt from the retail sales tax per RCW 82.08.0253. Refer to WAC 458-20-143 for the definition of "newspaper."

(3) **Retail sales tax exemptions.** The retail sales tax does not apply to the following:

- (a) Newspapers (refer to WAC 458-20-143 for a definition of "newspaper"); and

- (b) Subscription sales of magazines and periodicals, including those transferred electronically to the buyer, if these sales are for the purpose of fund-raising by:

- Educational institutions as defined in RCW 82.04.170; or

- Nonprofit organizations engaged in activities primarily for the benefit of boys and girls nineteen years of age and younger. (RCW 82.08.02535.)

(4) **Sales by distributors.** When magazines or periodicals are distributed to the final purchaser by a news company or distributor who effects such distribution through organizers, captains, or others selling from house to house or upon the streets, the news company or distributor is responsible for the collection and payment of the retail sales tax.

(a) Such news companies or distributors must collect from those selling the magazines or periodicals the retail sales tax upon the gross retail selling price of all magazines and periodicals taken by such persons.

(b) Tax registration endorsements are not required for organizers, captains, or other persons selling magazines or other periodicals if they meet the conditions of WAC 458-20-101 (2)(a). Separate registration and license documents will be issued to the news company or magazine distributor for each of the local stations operated by such company. Such registration and license documents will reflect the same tax reporting account number as the news company or magazine distributor. For more information, refer to WAC 458-20-101(10).

(5) **Buyer's responsibility to remit deferred sales or use tax.** Where no retail sales tax is paid upon the purchase of, or subscription to, a magazine or periodical, the buyer or subscriber must remit the retail sales tax (commonly referred to as "deferred sales tax") or use tax directly to the department unless specifically exempt by law.

Deferred sales or use tax should be reported on the use tax line of the buyer's excise tax return. For detailed information about use tax, refer to WAC 458-20-178 (Use tax).

[Statutory Authority: RCW 82.32.300 and 82.01.060(2). WSR 10-21-043, § 458-20-127, filed 10/13/10, effective 11/13/10. Statutory Authority: RCW 82.32.300. WSR 89-21-001, § 458-20-127, filed 10/5/89, effective 11/5/89; WSR 83-07-034 (Order ET 83-17), § 458-20-127, filed 3/15/83; Order ET 70-3, § 458-20-127 (Rule 127), filed 5/29/70, effective 7/1/70.]