

## Business Licensing and Tax

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Magan Waltari

maganw@ridewta.com

**Notice****Message**

Received: Thursday, Aug 4, 2022 4:26:51 PM

Subject: RE: WAC 171 Ruling Request

Dear Megan:

Thank you for your inquiry dated July 25, 2022, regarding the upcoming upgrade to bus stops and whether the project qualifies for tax treatment under WAC 458-20-171 (Rule 171).

**You wrote**

WTA is going to upgrading its bus stops on its mass public transportation routes throughout Whatcom County which are used primarily for foot traffic to wait for a mass public transit bus. This work will involve new cement, gravel, ROW work and installation of bus shelters and other ADA compliant improvements. I am unable to determine if this work will qualify for a Rule 171 tax exemption from my review of the WAC. We are in the process of drafting bid documents now.

**Our response**

Yes, this project will qualify for [public road construction](#) tax treatment under [Rule 171](#). Under Rule 171, each contractor is the consumer of materials incorporated and services rendered within the project. They must pay sales or use tax on the purchase price or value of such materials and or retail services.

This ruling is binding on the Department of Revenue and the entity named above. If you disagree with this ruling, you can request an [administrative review](#). You must request an administrative review within 30 days of this ruling. See [WAC 458-20-100](#).

If you have further taxability questions, feel free to write again.

**Lori B**

Tax Information Specialist | Washington State Department of Revenue | [Rulings@dor.wa.gov](mailto:Rulings@dor.wa.gov)

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Sent: Monday, Jul 25, 2022 2:39:54 PM

Subject: WAC 171 Ruling Request

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Thank you,  
Magan Waltari  
Procurement & Contracts Manager  
Whatcom Transportation Authority  
UBI: 601-355-078

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