

# Portable toilet rentals

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## **Is the rental charge for portable toilets subject to sales tax?**

No, portable toilet rentals are not subject to retail sales tax. The rental charge is not considered to be a true rental since the owner is required under state law to service the unit while being used at the customer's location.

## **How is the charge for portable toilets taxable?**

The gross income received for the following services is subject to business and occupation (B&O) tax under the service and other activities classification:

- Delivery of the portable chemical toilet to the customer's location.
- Maintaining the unit while at the customer's location.
- Picking up the unit at the end of the contract.

## **Are portable toilets and maintenance supplies subject to sales tax?**

Yes. The owner of the portable toilets must pay sales tax or use tax on each unit, because they are not re-renting the units to the customers. The owner must also pay sales tax or use tax on the chemicals, toilet paper, and other supplies required to maintain the units.

## **Are portable handwash stations subject to sales tax?**

It depends. When rental charges for portable toilets and handwash stations are separately stated on the invoice, charges for handwash stations are subject to sales tax.

When the rental charge for portable toilets and handwash stations is for one non-itemized price, the charge is not subject to sales tax. The entire charge is reported under the service and other activities B&O tax classification.

## **Examples**

The examples provided below are to be used only as a general guide. The tax results of other situations must be determined separately after review of all the facts and circumstances.

**Example 1**

John rents a portable toilet and handwash station for \$250. The invoice does not separately state charges for the portable toilet and handwash station. The \$250 charge is subject to service and other activities B&O tax.

**Example 2**

Kyle rents a portable toilet and handwash station for \$250. The invoice includes separately stated charges for the portable toilet and handwash station.

<b>Portable toilet</b>	\$200.00
<b>Handwash station</b>	\$50.00

The \$200.00 charge for the portable toilet is subject to service and other activities B&O tax. The \$50.00 charge for the handwash station is subject to retailing B&O tax and the company must collect retail sales tax.

**References**

WAC 458-20-211 - Leases or rentals of tangible personal property, bailments.



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