

# Customs brokers

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## What is a customs broker?

A customs broker clears items (or goods) through customs when the items cross international borders. A customs broker:

- Prepares documents.
- Prepares electronic submissions.
- Calculates and pays taxes, duties, and excises.
- Communicates between government authorities and the business or individual who imports or exports goods.

## How do you know an item qualifies for an export sale when a customs broker is involved?

To qualify as an exempt export sale, the seller must meet **one of three requirements**:

- The seller must deliver the goods to the buyer, to a place in another country.
- The seller must deliver the goods to a for-hire carrier who transports the goods to a place in another country.
- The seller must deliver the goods to the buyer at shipside or aboard the buyer's vessel or other transportation vehicle for export. In addition, the export process should obviously be started. The exports process has not started even if the goods are in boxes ready to ship.

## Example

Carl is a Canadian resident who hired a customs broker in Blaine, Washington. The broker accepts shipments for Carl. Carl just bought goods from a Washington seller. The goods were delivered to the customs broker located in Blaine. Carl will pick up the goods himself in Blaine and take the goods back across the border into Canada.

This sale does not qualify as an export sale because none of the requirements were met.

The goods are delivered to the customs broker in Blaine. **This means that the first requirement is not met.**

The goods are not delivered to a for-hire carrier who transports the goods to a place in another country. **This means that the second requirement is not met.**

The goods are not delivered to the buyer at shipside, or aboard the buyer's vessel or other transportation vehicle. Also, there is no indication that the exports process has started. **This means that the third requirement is not met.**

The Washington seller who delivers the goods to the customs broker in Washington must collect retail sales tax from Carl. The seller must also report and pay retailing B&O tax on the sale.

## References

**WAC 458-20-193C**

**RCW 82.04.610**



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