

Estate sales

What is an estate sale?

An estate sale is a sale or auction of someone's tangible personal property. The person may have recently died, or the person may be living and needs to sell items before moving. The property is usually a collection of household goods such as furniture, jewelry, clothing, etc.

Who is an estate seller?

You are an estate seller if you sell tangible personal property on behalf of a person or a person's estate. You may sell the property in the property owner's name (consignment sale) or in your own name.

As an estate seller, you may charge a commission based on a percentage of the net proceeds. You may also charge a fee to cover your costs of holding the sale.

Why do I need to register with your department?

You need to register with the Department of Revenue because you are required to collect and submit retail sales tax on property sold.

How do I report estate sales?

If you are an estate seller who sells tangible personal property in the name of the owner:

- Report the gross amount of income from property sold at the estate sale under retailing business and occupation (B&O) tax. You may claim a "consignment sales" deduction under retailing B&O tax.
- Report the gross amount of income from property sold at the estate sale under retail sales tax. Generally, you are responsible for submitting the sales tax to the department. However, if the owner of the property is already registered with the department, you may submit the sales tax to

the owner to report. In this case, you may claim an “Other” deduction under retail sales tax and write in “sales tax submitted to owner” for the deduction explanation.

- Report commissions and/or fees earned from conducting the estate sale under service and other activities B&O tax.

If you are an estate seller who sells tangible personal property in your own name:

- Report the gross amount of income from your property sold at the estate sale under both retailing B&O tax and retail sales tax.
- Costs of holding the sale cannot be deducted from the income received for property sold. This can include advertising, marketing, labor, security, and other fees. If you are reimbursed for these costs by the estate, then you must report the reimbursements under the service and other activities B&O tax classification.
- You do not report commissions on the estate sales.

References

WAC 458-20-101 – Tax registration and tax reporting

WAC 458-20-159 – Consignees, bailees, factors, agents, and auctioneers

Special Notice – Tax Reporting for Consignment Sales



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