

Excise Tax Advisory

Excise Tax Advisories are interpretive statements authorized by RCW 34.05.230.

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Snow Removal and Power Sweeping of Parking Lots and Roads

Does the snow removal and/or power sweeping of parking lots qualify for the janitorial services exclusion from "retail sales"?

RCW 82.04.050(2)(d) provides that the term retail sale includes:

"The sale of or charge made for labor and services rendered in respect to the cleaning, fumigating, razing or moving of existing buildings or structures, but shall not include the charge made for janitorial services; and for purposes of this section the term "janitorial services" shall mean those cleaning and caretaking services ordinarily performed by commercial janitor service businesses including, but not limited to, wall and window washing, floor cleaning and waxing, and the cleaning in place of rugs, drapes and upholstery. The term "janitorial services" does not include painting, papering, repairing, furnace or septic tank cleaning, snow removal or sandblasting;"

Janitorial Services:

RCW 82.04.050(2)(d) specifically identifies snow removal to be an activity which is not included within the definition of "janitorial services." For the purposes of janitorial service exclusion, "snow removal" generally refers to the removal of snow from streets, alleys, or parking lots or removal from walkways where power equipment is used. The removal of snow and ice from pedestrian entryways and sidewalks adjacent to buildings by shoveling and sweeping, or by application of sand, salt, or similar substances to improve traction for pedestrians, to be cleaning and caretaking services ordinarily performed by commercial janitorial businesses. These activities are subject to the service and other business activities of the business and occupation (B&O) tax.

The sweeping or picking up of litter, loose dirt, or debris from pedestrian entryways and sidewalks adjacent to buildings is considered a normal and customary service performed by commercial janitorial service businesses. If in addition to these activities litter and debris are also picked up from an adjacent parking lot, such activities are considered to be incidental to the janitorial services and also subject to the service and other business activities B&O tax.

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Snow Removal from Parking Lots:

The snow removal and/or power sweeping of parking lots is not, however, considered a cleaning or caretaking activity ordinarily performed by commercial janitor service businesses. These activities often require the use of plows or other mechanized equipment in the case of snow removal, and vacuum or power sweepers in the case of the cleaning of parking lots. These activities are often performed by businesses specializing in these services who do not generally perform interior janitorial services. These activities are retail in nature and subject to the retailing B&O and retail sales taxes when performed for consumers.

Snow Removal from Streets:

The power sweeping and/or snow removal of publicly owned streets and sidewalks generally constitutes the "building, repairing, or improving of any street, place, road, . . . which is owned by a municipal corporation or political subdivision of the state or by the United States. . . ." These activities are generally taxable under the public road construction classification of the B&O tax. See RCW 82.04.050(8) and RCW 82.04.280. However, if the street is owned by the State of Washington, these activities retail in nature and subject to retailing B&O and retail sales taxes. See WAC 458-20-170(1)(e).
