

# Interest from sale of business assets

A business selling some of its assets may carry a contract on the sale of these assets by accepting installment payments with interest. These sales may or may not be part of its usual business activity.

- Interest or finance charges received from an installment sale are subject to service and other activities business and occupation (B&O) tax.
- If the installment sale was a casual or isolated sale, then B&O tax does not apply to the sale, including the interest portion of the installment payments.

## References:

Casual or isolated sale: RCW 82.04.040

Reporting installment sales: WAC 458-20-198(2)(b)

Finance Charges, carrying charges, interest, penalties: WAC 458-20-109



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