

**RCW 82.04.258 Digital products—Apportionable income.** (1) (a)

Any person subject to tax under RCW 82.04.257 engaging both within and outside this state in the business of making sales at retail or wholesale of digital goods, digital codes, digital automated services, or services described in \*RCW 82.04.050 (2)(g) or (6)(c), must apportion to this state that portion of apportionable income derived from activity performed within this state as provided in subsection (2) of this section.

(b) For purposes of this subsection, a person is considered to be engaging outside this state in the business of making sales of digital goods, digital codes, digital automated services, or services described in \*RCW 82.04.050 (2)(g) or (6)(c) if the person makes any sales of digital goods, digital codes, digital automated services, or services described in \*RCW 82.04.050 (2)(g) or (6)(c) that are sourced to a jurisdiction other than Washington under RCW 82.32.730 for sales tax purposes or would have been sourced to a jurisdiction other than Washington under RCW 82.32.730 if the sale had been a retail sale.

(2) Apportionable income must be apportioned to Washington by multiplying the apportionable income by the sales factor.

(3) (a) The sales factor is a fraction, the numerator of which is the total receipts of the taxpayer from making sales of digital goods, digital codes, digital automated services, and services described in \*RCW 82.04.050 (2)(g) or (6)(c) in this state during the tax period, and the denominator of which is the total receipts of the taxpayer derived from such activity everywhere during the tax period.

(b) For purposes of computing the sales factor, sales are considered in this state if the sale was sourced to this state under RCW 82.32.730 for sales tax purposes or would have been sourced to this state under RCW 82.32.730 if the sale had been taxable under chapter 82.08 RCW.

(4) For purposes of this section, "apportionable income" means the gross income of the business taxable under RCW 82.04.257, including income received from activities outside this state if the income would be taxable under RCW 82.04.257 if received from activities in this state. [2017 c 323 s 516; 2009 c 535 s 402.]

**\*Reviser's note:** RCW 82.04.050 was amended by 2025 c 422 s 101, changing subsection (6)(c) to subsection (6)(b), effective October 1, 2025.

**Tax preference performance statement exemption—Automatic expiration date exemption—2017 c 323:** See note following RCW 82.04.040.

**Intent—Construction—2009 c 535:** See notes following RCW 82.04.192.