



Excise Tax Advisory

Excise Tax Advisories are interpretive statements authorized by RCW 34.05.230.

ETA 3053.2009

Issue Date: February 2, 2009

Form Oil Purchased by Building Contractors

Is the retail sales or use tax due upon form oil purchased by building contractors?

Under RCW 82.08.0274 and RCW 82.12.0268, retail sales and use tax exemptions are provided for form lumber if it is used by any person engaged in the constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon or above real property of or for consumers: Provided, That such lumber is used or to be used first by such persons for the molding of concrete in a single such contract, project, or job and is thereafter incorporated into the product of that same contract, project, or job as an ingredient or component thereof.

The retail sales tax applies to sales of form lumber unless the use of it qualifies for the exemptions under RCW 82.08.0274 and 82.12.0268. WAC 458-20-170(4)(c). Use tax does not apply to form lumber used by the contractor as a component part of the finished structure. WAC 458-20-178(7)(z).

Because form oil becomes a component of the form lumber to which it is applied, it is exempt where the form lumber is exempt as prescribed by these statutes and rules.

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