

Sales/Use/Indirect:

Washington Board of Tax Appeals Ruling Addresses Sourcing of Services for B&O Tax Purposes

Docket No. 19-069, Wash. Bd. of Tax App. (7/28/22). In a case involving a company's provision of legal advice services and litigation and defense services to insurance companies, and how to source receipts from these two activities for state business and occupation (B&O) tax purposes under WAC 458-20-19402(303)(c) to the location where the customer received the benefit of the taxpayer's service, the Washington Board of Tax Appeals held that:

[URL: https://apps.bta.wa.gov/Decision%20PDF/Formal%20Dockets/19-069.pdf](https://apps.bta.wa.gov/Decision%20PDF/Formal%20Dockets/19-069.pdf)

- Receipts from the former must be sourced to the location of the insurance companies' claim administration and legal departments, and
- Receipts from the latter must be sourced to the location where the litigation services were provided (i.e., to the jurisdiction where the settlement occurred, litigation was filed, or litigation occurred).

Please contact us with any questions.

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