

## Sales/Use/Indirect:

### Washington DOR Addresses Exemption for Purchases of Machinery and Equipment Used in R&D Operation

*Special Notice: Notice Regarding Manufacturers' Retail Sales and Use Tax Exemption for Purchases of Machinery and Equipment Used in a Research and Development Operation*, Wash. Dept. of Rev. (11/9/22). Referencing a Washington Board of Tax Appeals ruling from earlier this year – which concluded that a manufacturer does *not* need to manufacture items for sale to qualify for the Washington retail sales tax exemption on purchases of qualifying machinery and equipment used in its research and development (R&D) operation if all other requirements are met – the Washington Department of Revenue explains that it does *not* plan to appeal this decision and that further clarification/guidance on this subject “is being developed and will be published at a later date.” Please contact us with any questions.

**URL:** [https://dor.wa.gov/sites/default/files/2022-11/sn\\_22\\_RST\\_UT\\_ME\\_RD.pdf](https://dor.wa.gov/sites/default/files/2022-11/sn_22_RST_UT_ME_RD.pdf)

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