

## Gross Receipts:

### Washington DOR Proposes Changes to Rule Addressing Sourcing of Services for B&O Tax Purposes

*Proposed Amended Rule section WAC 458-20-19402, Wash. Dept. of Rev. (5/3/23).* Based on “interim guidance” and certain stakeholder feedback regarding its rule addressing the sourcing of services for Washington business and occupation (B&O) tax purposes (*i.e.*, WAC 458-20-19402), the Washington Department of Revenue has proposed changes that reflect how to attribute receipts from services relating to the customer’s business activities and include more illustrative examples. The proposal notes that when an included example states that a particular attribution method is a reasonable method of proportionally attributing the benefit of a service, “this does not preclude the existence of other reasonable methods of proportionally attributing the benefit of a service depending on the specific facts and circumstances of a taxpayer’s situation.” Written comments on this proposal are due by June 9, 2023, and a related virtual public hearing is scheduled for June 6, 2023. Please contact us with any questions.

**URL:** <https://dor.wa.gov/sites/default/files/2023-05/20-19402cr2frmrdraftMay23.pdf?uid=645541e034bf9>

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