



STATE OF WASHINGTON
DEPARTMENT OF REVENUE

April 2, 2001

Ms. Jeanne Crisp
Washington State Library
PO Box 42460
Olympia WA 98504-2460

UBI 342 008 465

Dear Ms. Crisp:

Thank you for your follow-up letter of March 21, 2001, asking for clarification of the tax application to situations described as follows:

- 1. It is not clear whether the subscriber is subject to sales tax if charged to receive an electronic version of a portion of the database. For example, if the subscriber pays for an article to be delivered via email.**

In this case, sales tax is due on the charge to have a particular article delivered to the subscriber. This is similar to sales tax applying on the copy charge to copy an article at a library.

- 2. Does sales tax apply to charges to receive electronic books. These are not always purchased as subscriptions.**

It does not matter whether a purchase of a product is with a subscription or on a single-purchase basis, sales tax applies to the charge for delivering (either physically or electronically) a book, magazine, or article to the purchaser.

I appreciate that you would like to disseminate the tax issues and applications to both libraries and vendors. Feel free to distribute copies of this letter (and the one dated March 7, 2001). If you wish to restate the information contained in the letters to post it on your website, I would gladly be available to review your restatement before you post it.

Taxpayer Services

PO Box 47478 ♦ Olympia, Washington 98504-7478 ♦ Phone (360) 753-7782 ♦ Fax (360) 664-0456



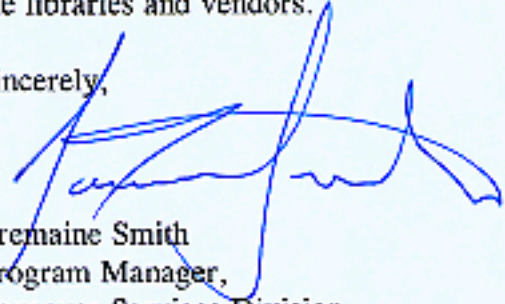
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Page Two

I look forward to being of assistance in your efforts to disseminate accurate tax information to the libraries and vendors.

Sincerely,



Tremaine Smith
Program Manager,
Taxpayer Services Division