

Seattle Rule 5-125

Casual or isolated sales.

THE CITY OF SEATTLE DIRECTOR'S RULE IMPLEMENTING SEATTLE BUSINESS TAX ORDINANCE RULE 5-125 Seattle Rule 5-125 Casual or isolated sales.

(1) Generally.

Any sales of tangible personal property which are routine and continuous must be considered to be an integral part of the business operation and are not casual or isolated sales.

Furthermore, persons who hold themselves out to the public as making sales at retail or wholesale are deemed to be engaged in the business of selling, and sales made by them of the type of property which they hold themselves out as selling, are not casual or isolated sales even though such sales may not be made frequently.

In addition, the sale at retail by a manufacturer or wholesaler of an article of merchandise manufactured or wholesaled by the seller is not a casual or isolated sale even though the seller may make but one such retail sale.

Sales of services, intangible property, rights to patents or other activities are taxable under the service and other classification, no matter how limited the number of transactions, shall not be considered as casual or isolated sales. Income from such activities are subject to taxation as part of the gross income of the business.

(2) Business license tax.

The business license tax does not apply to casual or isolated sales pursuant to SMC 5.45.090 X.

(3) Examples.

a. A retail or wholesale store selling furniture, fixtures, and equipment used by employees in conducting the business would be considered a casual or isolated sale, unless the store was in the business of selling used furniture, fixtures or equipment.

b. An engineer or consultant develops a patent and sells the patent or the rights to the patent to another business. This transaction would not be a casual or isolated sell since the person is holding themselves out to be an expert and creates gross income through those efforts.

c. An author writes a book and sells the rights to the book or receives royalties on the sales of the book. The sale of the rights to the book or the royalties received are not casual or isolated sales.

Effective date: June 19, 2010

Superseded rule dated May 15, 2007.

DIRECTOR'S CERTIFICATION

I, Glen Lee, Acting Finance Director of the City of Seattle, do hereby certify under penalty of perjury of law, that the within and foregoing is a true and correct copy as adopted by the City of Seattle, Department of Executive Administration.

DATED this _____ day of June 19, 2010.

CITY OF SEATTLE,

a Washington municipality

By: _____

Glen Lee, Acting Finance Director

Department of Executive Administration

Jun 22, 2010