RESELLER PERMITS USAGE
Effective January 2010

Attached is the new Reseller Permit which supersedes the old form named Resale Certificates. Resale Certificates are no longer effective and can be destroyed. Formerly, many departments within the University had separate Resale Certificates but now there is only one Reseller Permit for the entire University. The Reseller Permit is effective for three years from 1/1/2010 to 12/31/2013. Beginning in January 2010, vendors accepting Reseller Permits may check the Department of Revenue website to make sure permits are valid. The website is www.dor.wa.gov/resellerpermit.

Reseller Permits are meant to be shared with the vendors that we purchase from when we resell the product or item to our customers. Please send all a copy of the Reseller Permit to all of your vendors, that you purchase resale goods from so they will not charge you sales tax on your purchases after 1/1/2010.

Examples of types of purchases under the Reseller Permit:

- Merchandise and inventory that you directly resell without using including packaging items likes plastic bags and plates, cups, lids, etc...
- Ingredients, components, or chemicals used in processing new products for sale.
- Items for dual purpose. If you don’t know at the time of purchase whether item(s) will be consumed or resold, you must purchase according to the general nature of your business which means if more than 50 percent of your business is principally consuming a product you would pay sales tax and vice-versa is you typically resale over 50 percent.

Examples of types of purchases not allowed under the Reseller Permit:

- Items for personal use.
- Items used in your department that are not resold, such as office and cleaning supplies and equipment.
- Promotional items or gifts that you provide to your customers at no charge.
- Tools, equipment, furnishings or equipment rentals.

We as the University are responsible for paying the appropriate taxes (sales and/or use tax) on all purchases unless the purchase is for resale purposes. It is not the responsibility of the vendor we are doing business with to determine whether tax should be applied. Misuse of our Reseller Permit:

- Subjects us to a penalty of 50 percent of the tax due, in addition to the tax, interest, and penalties imposed.
- May result in our permit being revoked.

If you have any questions on whether sales tax should be applied on a purchase, please contact the Purchasing Office at 1002 or Accounting Office at 2395.