

Gross Receipts:

Washington DOR Explains B&O and Sales Tax Siting of Periodic Lease Payments on Certain Aircraft

Publication – Tax Topics: Non-transportation aircraft – Sourcing periodic lease payments, Wash. Dept. of Rev. (12/11/23). The Washington Department of Revenue (Department) issued a publication explaining the Washington sales/use and business and occupation (B&O) tax sourcing of periodic lease payments on certain “non-transportation aircraft” (*i.e.*, aircraft *not* operated by air carriers authorized and certified by the United States Department of Transportation or another federal or foreign authority to engage in the transport of persons or property in interstate or foreign commerce). Providing some accompanying examples to illustrate, the Department states that sellers (lessors) must source periodic lease payments of a non-transportation aircraft to the “primary property location” for Washington retailing B&O tax and retail sales tax purposes, which is the location where the aircraft is primarily based or hangared and ready for use. Moreover, the Department explains that intermittent non-transportation aircraft use during a lease period does not change the primary property location during the lease payment period – noting that such intermittent use is typically flight time and other time spent temporarily away from the primary property location. Please contact us with any questions.

URL: <https://dor.wa.gov/forms-publications/publications-subject/tax-topics/non-transportation-aircraft-sourcing-periodic-lease-payments>

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