

Gross Receipts:

Washington DOR Asks for Comments on Non-Fungible Token (NFT) Guidance by November 18

Draft ETA 3XXX: Non-Fungible Tokens (NFTs), Wash. Dept. of Rev. (10/24). The Washington Department of Revenue (Department) posted a draft excise tax advisory (ETA) that seeks to provide general guidance on how Washington's business and occupation (B&O), retail sales, and use taxes apply to transactions involving non-fungible tokens (NFTs). According to the Department, this ETA would replace any previous rulings or written reporting instructions provided to taxpayers that conflict with the NFT guidance in it. Topics in the draft ETA include:

URL: https://dor.wa.gov/sites/default/files/2024-10/DRAFT_ETAXXXX_NonFungibleTokens.pdf

- Definitions and terms;
- Overview of NFTs and taxability;
- Selling price;
- Sourcing;
- Bundled transactions;
- Marketplace facilitators and marketplace sellers;
- Apportionment of non-retail activities;
- Royalties, burning, and minting;
- Use tax; and
- Reselling activities.

The Department is requesting comments and feedback related to this draft ETA no later than November 18, 2024; "after a review of the feedback, if any, the Department will consider the appropriate next steps in the process." Please contact us with any questions.

— Robert Wood (Seattle)
Principal
Deloitte Tax LLP
robwood@deloitte.com

Myles Brenner (Seattle)
Senior Manager
Deloitte Tax LLP
mybrenner@deloitte.com

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our professionals deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s approximately 415,000 people worldwide make an impact that matters at www.deloitte.com.