

Gross Receipts:

Washington DOR Addresses Taxation of Tariff and Credit Card Processing Fee Surcharges

Tax Topic: Surcharges including tariffs, Wash. Dept. of Rev. (12/23/24). The Washington Department of Revenue (Department) issued guidance on Washington’s tax treatment of certain “surcharges” added by businesses to customer invoices to cover expenses such as tariffs, fuel costs, and credit card processing fees – concluding that these surcharges generally are subject to tax in Washington (*i.e.*, subject to Washington’s business and occupation (B&O) tax and retail sales tax). In doing so, the Department notes that such surcharge(s), including tariffs, are included in the selling price and cannot be deducted from the selling price even if they are listed separately on the invoice. The Department also explains that surcharges generally are taxable under the same tax classification used to report the payment of the good or service purchased. The guidance includes examples to illustrate the Washington tax treatment of such business surcharges. Please contact us with any questions.

URL: <https://dor.wa.gov/forms-publications/publications-subject/tax-topics/surcharges-including-tariffs>

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

Angela Deamico (Seattle)
Senior Manager
Deloitte Tax LLP
adeamico@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.