



WASHINGTON RESELLER PERMIT SAMPLE

CALCULATION OF PURCHASES FOR CONSTRUCTION CONTRACTORS

Purchase expenses related to jobs reported at the following business and occupation tax classification(s):	Value of purchased materials and subcontractor charges during prior 12 months	
Retailing	\$ 1,000,000	A
Wholesaling	\$ 750,000	B
Public Road Constructing	\$ 150,000	
US Government Contracting	\$ 300,000	
Plus purchases for Speculative Construction	\$ 500,000	
 Total purchases of materials and subcontractor labor for prior 12 months	 \$ 2,700,000	 Sum of all purchases = C
 Total purchases of materials and subcontractor labor for Retailing and Wholesaling jobs	 \$ 1,750,000	 A + B = D
 Percentage of total purchases of materials and subcontractor labor for Retailing and Wholesaling jobs	 65%	 D / C

Tip: There is no need for purposes of this calculation to determine whether sales or use tax was actually paid on the materials or subcontractor labor purchases.

If > 25%, contractor is eligible for a Reseller Permit

- If < 25%, try again with different numbers. For example:*
- include consumable supplies and non-contracting labor for all purchase classifications
 - exclude any purchases for jobs performed outside of Washington

If still below 25% and need a reseller permit because job mix will be different in the next year, check the box and ask the Department of Revenue for a reseller permit

For more information contact:

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