

RE: Sales of Firework

Dear:

Greetings on behalf of the Department of Revenue:

Purpose of this letter

I am writing to you because the Department of Revenue (Department) recently received questions from fireworks distributors and tribal fireworks retailers regarding the taxation of on-reservation sales of fireworks. We hope this letter will clarify the responsibilities of fireworks distributors and make it easier for tribal retailers to make tax-exempt purchases.

Exempt sales documentation requirement

Fireworks distributors must document each sale that is exempt from state retail sales tax.

The problem with undocumented exempt sales to tribal retailers

If the exempt nature of the sale is not documented, the distributor will be held responsible for the state retail sales tax. Therefore, tribal retailers purchasing fireworks for on-reservation sales may find that distributors are asking them for exemption forms or other documentation.

How Tribal retailers can help assure trouble-free tax-exempt purchases

Tribal retailers can assist the distributors by having their exemption forms prepared and available. (These forms are retained by the distributors and not sent to the Department)

Documentation for tax exemption

Sales of fireworks to tribal retailers are exempt from retail sales tax if the distributor:

- ☐ Receives a reseller permit from the tribal purchaser and retains it in the distributor's records; or
- ☐ Delivers the fireworks to the tribe or enrolled tribal member/citizen purchaser on the purchaser's reservation. In this case, the distributor must obtain one of the following certificates from the purchaser and retain it in the distributor's records:

[SALES TO INDIANS WITH DELIVERY IN INDIAN COUNTRY](#); or

[BUYERS' RETAIL SALES TAX EXEMPTION CERTIFICATE](#)

If the tribal purchaser does not have a reseller permit or one of the approved exemption forms, the distributor will collect retail state sales tax and the tribal purchaser could apply for a refund from the Department.

Enclosed exemption forms

The Department asks that you work with your fireworks committee to ensure that distributors can properly document tax-exempt fireworks sales to tribal purchasers on the reservation. For your convenience, we have linked the appropriate exemption forms above.

Sales of fireworks to non-Indians are subject to sales tax

Sales of fireworks delivered to the tribe's citizens are exempt from sales tax; however, when sales are made to non-Indians from the tribal fireworks vendor, those sales are subject to sales tax.

Questions

If you have any questions, or if it would be helpful for me to visit your reservation to meet with you, your fireworks committee, or tribal fireworks retailers, please call me at (360) 534-1573 or email me at shanab@dor.wa.gov. We hope this cooperative approach will make your reservation fireworks sales more efficient and ensure a prosperous year.

With Respect and Warm Regards,

Shana Barehand

Liaison to Tribal Governments