

WAC 458-20-183 Recreational services and activities. (1) **Introduction.** This rule explains the tax reporting instructions for persons who provide the services and activities described in RCW 82.04.050(15). This rule refers to these services and activities as "recreational services and activities." This rule does not address charges for:

(a) Operating an "athletic or fitness facility" (refer to RCW 82.04.050(3) for information about the taxability of operating an athletic or fitness facility); or

(b) Day camps offered by a nonprofit organization or a state or local government entity that provides youth not older than age eighteen, or that are focused on providing individuals with disabilities or mental illness, the opportunity to participate in a variety of supervised activities.

(2) **Other rules that may apply.** Readers may want to refer to other rules for additional information, including:

(a) WAC 458-20-118 Sale or rental of real estate, license to use real estate.

(b) WAC 458-20-166 Hotels, motels, boarding houses, rooming houses, resorts, hostels, trailer camps, and similar lodging businesses.

(c) WAC 458-20-167 Educational institutions, school districts, student organizations, and private schools.

(d) WAC 458-20-187 Tax responsibility of vending machine owners and operators.

(e) WAC 458-20-189 Sales to and by the state of Washington and municipal corporations including, counties, cities, towns, school districts, and fire districts.

(f) WAC 458-20-211 Leases or rentals of tangible personal property, bailments.

(g) WAC 458-20-244 Food and food ingredients.

(3) **Examples.** This rule includes examples that identify a number of facts and then state a conclusion. These examples should only be used as a general guide. The tax results of other situations must be determined after a review of all the facts and circumstances.

(4) **Taxability of recreational services and activities.**

(a) Charges, however labeled, to consumers for engaging or participating in the recreational services and activities listed in subsection (6) of this rule are retail sales subject to retailing business and occupation (B&O) tax and retail sales tax. Unless otherwise specified in this rule or in RCW 82.04.050, charges to engage or participate in a recreational service or activity include the furnishing of any related equipment and charges for instructional lessons in the service or activity.

(b) When there is a sale of two or more distinct and identifiable products that includes a charge for a product subject to retail sales tax and a charge for a product not subject to retail sales tax, then retail sales tax applies to the entire selling price, unless prices are separately identified by product on binding sales or other supporting sale-related documentation made available to the customer. For additional information about bundled transactions, see RCW 82.08.190 and 82.08.195.

(c) Separate charges for the sale or rental of tangible personal property, including equipment, gear, and supplies used to engage or participate in recreational services and activities are subject to retailing B&O and retail sales tax. Refer to WAC 458-20-211 for more information about these charges.

(d) A person who provides recreational services and activities must pay retail sales or use tax on the purchase or rental of tangible personal property the person uses as a consumer to provide such services and activities, including equipment and supplies. Retail sales or use tax need not be paid if a person purchases tangible personal property for resale without intervening use. For additional information on sales for resale, refer to WAC 458-20-102 Reseller permits.

(5) **Exclusions and exemptions.**

(a) Educational institutions. Charges made by an educational institution, as defined in RCW 82.04.170, to its students and staff for recreational services and activities listed in subsection (6) of this rule, are not retail sales and therefore are not subject to retailing B&O and retail sales tax. However, charges made by an educational institution to its alumni or to other members of the public for these same services and activities are retail sales subject to retailing B&O and retail sales tax.

(b) Nonprofit youth organizations. RCW 82.08.0291 exempts the sale of recreational services and activities by a nonprofit youth organization to its members from retail sales tax, but does not exempt the sale of these services and activities from retailing B&O tax. For purposes of this rule, a nonprofit youth organization is a nonprofit organization engaged in character building of youth that qualifies for an exemption from property tax under RCW 84.36.030(3).

(c) Fairs, carnivals, and festivals. Charges for admission to, and rides or attractions at, fairs, carnivals, and festivals are not retail sales and therefore not subject to retailing B&O and retail sales tax. For purposes of this rule, fairs, carnivals, and festivals are events that do not exceed twenty-one consecutive days and a majority of the amusement rides, if any, are not affixed to real property.

(d) Diver training. Charges made by a vocational school for commercial diver training that is licensed by the workforce training and education coordinating board under chapter 28C.10 RCW, are not retail sales and therefore not subject to retailing B&O and retail sales tax.

(6) **Retail recreational services and activities.** Gross income received from providing the following exclusive list of recreational services and activities is subject to retailing B&O tax and retail sales tax:

(a) **Air sports.** Charges for ballooning, hang gliding, indoor or outdoor sky diving, paragliding, parasailing, and similar activities.

(b) **Amusement park, theme park, and water park facilities.** Charges for admission to an amusement park, theme park, or water park, and locker or cabana rentals at such facilities. For purposes of this rule, an amusement park or theme park is a location that provides permanently affixed amusement rides, games, and other entertainment, but does not include parks or zoos where the primary purpose is the exhibition of wildlife, or fairs, carnivals, and festivals as described in subsection (5)(c) of this rule. Separate charges for rides, attractions, or other entertainment that are in addition to the admission charge are not retail sales under this subsection.

Example 1. Adventure Land is an amusement park that has an admission charge of ten dollars per person per day. The admission charge grants guest access to most of the park's rides and attractions. In addition, Adventure Land has a wooden roller coaster that guests must pay a separate charge of two dollars per person to ride. The charge for admission is subject to retailing B&O tax and retail sales tax. The charge for the wooden roller coaster is subject to service and other activities B&O tax.

(c) **Bowling.** Charges for:

- (i) Bowling;
- (ii) Rental of bowling shoes;
- (iii) Bowling lessons; and

(iv) The opportunity to participate in competitive bowling events or tournaments when a participant pays a fee to the bowling facility operator. This includes amounts paid by event organizers to the bowling facility operator if the amounts vary based on the number of participants.

Example 2. A high school is sponsoring and organizing a bowling tournament that will be held at Bowling Alley Z to raise money for new band uniforms. To enter the tournament, participants pay a fee of twenty dollars per person to the local high school. The local high school contracts with Bowling Alley Z to use its facilities for five hundred dollars regardless of the number of participants. The fee does not vary based on the number of participants. On the day of the tournament, the high school submits full payment to Bowling Alley Z. If participants need to rent bowling shoes, they pay Bowling Alley Z directly on the day of the tournament. The amount the high school pays to Bowling Alley Z is subject to service and other activities B&O tax because the high school is paying Bowling Alley Z on behalf of the participants and the fee is not based on the number of participants. Any fee to rent bowling shoes is subject to retailing B&O tax and retail sales tax.

(d) **Climbing activities.** Charges for climbing on artificial climbing structures, whether indoors or outdoors.

(e) **Day trips for sightseeing purposes.** Charges for sightseeing trips, whether for educational, instructional, or recreational purposes, that last less than twenty-four hours. Examples of day trips for sightseeing purposes include wine tours, scenic tours, culinary tours, educational or nature-related tours, or cultural tours. For information on multiday sightseeing tours, refer to WAC 458-20-258 Travel agents and tour operators.

(f) **Fishing.** Charges to fish, access to private fishing areas, and charges for chartered or guided fishing tours.

(g) **Golf.** Charges for golfing activities where golf balls or golf clubs are used including charges for:

- (i) Playing golf or miniature golf;
- (ii) Golfing lessons, if the charge for the lesson is not stated separately from other golf facility charges;
- (iii) Hitting golf balls at a driving range;
- (iv) Using a golf simulator;
- (v) Renting a golf cart;
- (vi) Players to use their own golf cart; and
- (vii) Players to participate in competitive golf events or tournaments where the participant pays a fee to the golf facility operator. This includes amounts paid by event organizers to the golf facility operator if the amounts vary based on the number of participants.

Example 3. A charity is sponsoring and organizing a golf tournament to raise funds to renovate a neighborhood playground. To participate, players must pay fifty dollars per person to the golf course facility on the day of the tournament. This charge does not include the rental of a golf cart, which some participants elect to rent for twenty dollars per golf cart. The amounts paid to the golf course facility by the participants are subject to retailing B&O tax and retail sales

tax. Amounts paid to rent a golf cart are also subject to retailing B&O and retail sales tax.

Example 4. A local golf course offers footgolf, a sport that combines components of soccer and golf using a soccer ball, every Tuesday and charges ten dollars per person to play one round. Amounts paid by participants to play footgolf are subject to the service and other activities B&O tax because footgolf is not considered a golfing activity, as described in (g) of this subsection, in which golf balls or golf clubs are used.

(h) **Horseback riding.** Charges for individual or group rides, guided or unguided, offered to the public if the seller furnishes the horse to the rider and the primary focus of the ride is not instructional.

(i) **Hunting.** Charges for guided hunting and hunting at game farms and shooting preserves.

(j) **Motorized activities.** Charges for go-karting, bumper cars, snowmobiles, all-terrain vehicles, and other motorized activities where the seller provides both the vehicle and the premises where the buyer will operate the vehicle. If the seller provides the vehicle, but not the premises to operate the vehicle, then the charge is considered a rental of tangible personal property and is subject to retailing B&O and retail sales tax.

Example 5. For an hourly fee, City D racetrack provides customers the opportunity to use its racetrack to ride all-terrain vehicles and dirt bikes. Customers are required to provide their own all-terrain vehicles and dirt bikes to ride on the racetrack. Because City D only provides the premises on which customers ride their vehicles and bikes, the hourly fee to use the racetrack is subject to service and other activities B&O tax.

(k) **Playground activities.** Charges for indoor or outdoor playground activities such as: Inflatable bounce structures and other inflatables, mazes, trampolines, slides, ball pits, games of tag, including laser tag and soft-dart tag, and human gyroscope rides, regardless of whether the activities occur at the seller's place of business.

Example 6. Kidz Learning for Life is an enrichment and physical development center for children under eight years old. The center offers physical coordination classes for infants and toddlers, and dance, music, and art classes for older children. The center also provides an outdoor trampoline for children ages four to eight years old. Parents are required to stay at the center during classes, and depending on the class, may be required to participate with their child. Parents can either pay a monthly membership charge that allows for unlimited classes or may pay on a per class basis. Both charges are subject to the service and other activities B&O tax because the types of classes offered by Kidz Learning for Life are not considered playground activities for the purposes of (k) of this subsection.

Example 7. Fun Zone Extreme is an indoor playground facility that offers multiple unstructured play activities for children seventeen and under. Some of the activities include laser tag, inflatable bounce structures, ball pits, and climbing structures, such as a rock wall. To participate in all of the activities Fun Zone Extreme offers, customers pay an admission fee based on their age and the fee allows the participant unlimited use of the facility for the entire day. The admission fee charged to customers is subject to retailing B&O and retail sales tax because the activities at Fun Zone Extreme are considered playground activities for the purposes of (k) of this subsection.

Example 8. Each autumn, a local farmer opens his property to the public to use for various family-related activities. The property is open to visitors, free of charge, from September 15th through October 31st. Activities available on the property include a corn maze, inflatable bounce structures for children, and a petting zoo. Although general admission is free, the owner charges a fee of five dollars per person to go through the corn maze. The fee charged to customers to use the corn maze is subject to retailing B&O and retail sales tax.

(l) **Shooting sports and activities.** Charges to the public to engage in shooting sports and activities, such as target shooting, skeet, sporting clays, "5" stand, and archery.

(m) **Skating.** Charges to the public to participate in skating, including ice skating, roller skating, and inline skating.

(n) **Snow sports and activities (nonmotorized).** Charges to the public for the use of land or facilities to engage in the following nonmotorized snow sports and activities: Downhill and cross-country skiing, snowboarding, ski jumping, sledding, snow tubing, snowshoeing, and similar snow sports and activities. This includes charges for the use of ski lifts and tows for snow sports and activities and daily or season passes for access to trails or other areas where nonmotorized snow sports and activities are conducted.

The snow sports and activities listed in (n) of this subsection may occur at an outdoor facility in natural or artificial snow, or at an indoor facility with no snow or artificial snow.

Example 9. During the summer months, Flurry Mountain ski lodge allows the public access to its land for hiking. Flurry Mountain charges a daily fee to hike on the land and a fee to use the ski lift to obtain access to elevated hiking areas. Because the fees for hiking and using the ski lift are not considered snow sports and activities, both fees are subject to service and other activities B&O tax.

(o) **Swimming.** Charges for recreational or fitness swimming that is open to the public, such as open swim, lap swim, and special events like kids night out and pool parties during open swim time, and pool parties for private events, such as birthdays, family gatherings, and employee outings. Charges for swimming lessons or participating in swim meets or swim competitions are not retail sales unless provided by an athletic or fitness facility as defined in RCW 82.04.050.

Example 10. Swim Center, Inc. is an aquatics center that provides swimming lessons and water fitness classes. All swimming lessons and water fitness classes are subject to separate monthly fees. Swim Center, Inc. is not considered an "athletic or fitness facility" as that term is defined in RCW 82.04.050. Accordingly, charges for swimming lessons are subject to service and other activities B&O tax. However, fees charged for water fitness classes are subject to retailing B&O and retail sales tax.

(p) **Table games.** Charges to play air hockey, billiards, pool, foosball, shuffleboard, ping-pong, and similar games.

(q) **Water sports and activities.** Charges for scuba diving, snorkeling, river rafting, surfing, kiteboarding, flyboarding, water slides, water trampolines, water pillows, water rollers, and similar water sports and activities such as canoeing and kayaking.

Example 11. Main Street Marina charges separately for kayak and canoe rentals and private lessons on how to operate the watercraft. The charge to rent a kayak or canoe is considered the rental of tangible personal property and is subject to retailing B&O and retail sales tax. Charges for kayaking and canoeing lessons are also subject to retailing B&O and retail sales tax.

(r) **Miscellaneous recreational services and activities.** Charges for bungee jumping, zip lining, activities involving riding inside a ball, such as zorbing or water walking, paintball activities, airsoft activities, batting cage activities, and darts, both electronic and nonelectronic.

[Statutory Authority: RCW 82.32.300 and 82.01.060(2). WSR 18-11-126, § 458-20-183, filed 5/23/18, effective 6/23/18. Statutory Authority: RCW 82.32.300. WSR 95-22-100, § 458-20-183, filed 11/1/95, effective 12/2/95; WSR 84-12-046 (Order ET 84-2), § 458-20-183, filed 6/1/84. Statutory Authority: RCW 82.01.060(2) and 82.32.300. WSR 78-07-045 (Order ET 78-4), § 458-20-183, filed 6/27/78; Order ET 70-3, § 458-20-183 (Rule 183), filed 5/29/70, effective 7/1/70.]