



STATE OF WASHINGTON

DEPARTMENT OF REVENUE

INTERPRETIVE STATEMENT ISSUED

The Department of Revenue has issued the following Excise Tax Advisory (ETA):

ETA 3181.2013 – Paymasters and Employers of Record

This ETA 3181 clarifies when a taxpayer qualifies as a paymaster able to exclude amounts received to pay the employer obligations of its clients from gross income. This guidance also illustrates the difference between a paymaster that is also an employer of record and a taxpayer who is engaged in the business of selling labor or services performed by its own employees.

This ETA also refers readers to the Department’s website for additional information regarding ESSB 5882 (Chapter 13, Laws of 2013, 2nd Special Session), which provides a deduction for certain amounts received from an affiliated business by a “qualified employer of record” engaged in providing services to that affiliated business.

A copy of this document is available via the Internet at [Recent Rule and Interpretive Statements, Adoptions, and Repeals](#).

Handwritten signature of Alan R. Lynn in cursive.

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