



STATE OF WASHINGTON
DEPARTMENT OF REVENUE

INTERPRETIVE STATEMENT ISSUED

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

ETA 3196.2023 B&O Deduction for Affiliated Qualified Employers of Record

This ETA clarifies when a person is a qualified employer of record eligible for a business and occupation (B&O) tax deduction from gross income for employee costs when the person is providing paymaster services. The ETA has been updated to provide information on the types of documentation that can be used to substantiate a deduction under RCW 82.04.43393, and includes other updates.

A copy of this document is available via the Internet at [Excise Tax Advisories](#).

Atif Aziz, Tax Policy Manager – Rules Coordinator