



MULTISTATE INDIRECT TAX

Washington expands sales and use tax to select services

Tax Alert

Overview

On May 20, 2025, Washington enacted [Senate Bill 5814](#) (“S.B. 5814”) expanding the sales and use tax laws to include select services, including information technology services, security services, and certain advertising services, among others, as taxable. S.B. 5814 also provides an exception to the retail sale of these newly taxable services when the sale occurs between members of an affiliated group. S.B. 5814 is effective October 1, 2025.

This Tax Alert summarizes some of the provisions of S.B. 5814.

Expansion of sales and use taxes to select services

S.B. 5814 expands the sales and use tax to include the following select services:

- Information technology training services, technical support, and other services including but not limited to network operations and support assistance, help desk services, in-person software and hardware training, data entry services, and data processing services.
- Custom website development services, including design, development, and support of a website provided by a website developer to a customer.
- Investigation, security, security monitoring, and armored car services. This does not include locksmith services.
- Temporary staffing services, which means providing workers to other businesses, except for certain hospitals, for limited periods to supplement their workforce on a contract or for fee basis.
- Advertising services, which means all digital and nondigital services related to creation, preparation, production, or dissemination of advertisements. Advertisement services do not include:
 - Web hosting services;
 - Services to newspapers, certain printing and publishing, and radio and television broadcasting within the state, as those terms are defined by state law;
 - Services to out-of-home advertising such as billboard, transit, and place-based advertising, but not direct mail.

- Live presentations, including but not limited to lectures, seminars, workshops, or in-person or online real time courses.

Exception to members of an affiliated group

S.B. 5814 further provides that for these particular services, the terms sales at retail and retail sale do not include a sale between members of an affiliated group as defined under [RCW 82.04.299\(1\)\(f\)](#).

Additionally, the retail sales of digital goods, digital codes, or digital automated services does not include the following services if the sale is between members of an affiliated group:

- Any service primarily involving human effort by a seller after a customer requested the service;
- Live presentations, including lectures or seminars where participants are connected via the internet or telecommunications equipment interacting with one another in real time;
- Advertising services; and
- Data processing services.

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