



# This Week in State Tax (TWIST)

October 31, 2022



WASHINGTON



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## Washington: Department Provides Additional Insight on Taxation of NFTs

In July, the Department of Revenue released an [interim statement](#) addressing various tax issues related to NFTs, including how and when NFTs are taxed, how to determine the selling price of an NFT, and the sourcing rules that apply to retail sales of NFTs. The interim statement also confirmed that marketplace facilitators will be required to remit taxes on sales of NFTs, and it provided guidance on the B&O tax treatment of income from sales of NFTs.

Last week, the Department hosted a listening session for taxpayers to provide feedback and ask questions about the interim statement. On the call, a policy representative from the Department explained that Washington taxes digital goods, digital codes, and digital automated services, and that NFTs associated with such items would be subject to tax dating back to the enactment of the law imposing tax on digital goods, digital codes, and digital automated services. The representative indicated that more guidance on this issue would be forthcoming. Please stay tuned to TWIST for additional guidance on the tax treatment of NFTs.



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