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April 29, 2020

Mr. Paul Razore, President
Sanitary Service Company
Via email: paulr@ssc-inc.com

Dear Mr. Razore:

Thank you for your continued business with Republic Services. Though we are constantly working to provide you the best service at the most economical price, certain costs involved in providing solid waste management services continue to increase. This has resulted in higher costs to service our customers. As a result, you will see a rate adjustment on your August invoice for roll-off and compactor disposal.

Effective August 1, 2020, our revised price is \$97.75 per ton plus the City of Ferndale tax of 14.5% (equates to \$14.17 per ton). The total billing will be \$111.93 per ton for all roll-off containers and compactor loads.

For your accounting department, we will be coding these loads as Bellingham roll-offs (BH RO) or Bellingham compactor (BH COMP) in the billing system.

We appreciate the opportunity to continue to provide service to you.

Please let me know if there are any questions at 206-777-6430, or via email at MEasley@republicservices.com.

Respectfully,

A handwritten signature in black ink that reads "MEasley".

Maria Easley
Assistant Controller

cc: Sara Campbell, sarac@ssc-inc.com



STATE OF WASHINGTON
DEPARTMENT OF REVENUE

SANITARY SERVICE COMPANY, INC.
PO BOX 1702
BELLINGHAM WA 98227-1702

May 18, 2020
Letter ID: L0013568090
UBI: 600-172-770
Account ID: 600-172-770
Account Type: Excise Tax

Dear Taxpayer,

Effective April 1, 2020, the Service and Other Activities classification of the business and occupation (B&O) tax will have two tax rates. Which rate you report under is dependent on your business activities and last year's income. You are receiving this communication because your reporting history indicates that you are likely subject to the higher of the two tax rates.

See the attached Special Notice for additional information, and visit our website at dor.wa.gov/WorkforceEducation.

Department of Revenue
Taxpayer Services

Special Notice

Intended audience: Businesses that report under the Service and Other Activities B&O tax classification

March 13, 2020

Workforce Education — Service and Other Activities Rate Changes

Effective April 1, 2020, the business and occupation B&O tax has two tax rates under the Service and Other Activities classification.

What tax rate applies to my business?

Service and Other Activities

If you (or your affiliated group) had taxable income subject to the Service and Other Activities classification in the prior calendar year, you may be subject to a higher tax rate. Use the table below to determine the applicable tax rate for your business.

Taxable income subject to Service and Other Activities* (Prior calendar year)	Tax return line (as of April 1, 2020)	Tax rate
Less than \$1 million	Service and Other Activities (\$1 million or greater in prior year)	1.75%
Less than \$1 million	Service and Other Activities	1.5%

*If you are a member of an affiliated group, this figure includes taxable income subject to the Service and Other Activities classification for all affiliated group members.

Scientific Research and Development (R&D)

If you (or your affiliated group) had \$1 million or greater of taxable income subject to the Scientific Research and Development classification in the prior calendar year, you are subject to the 1.75% tax rate. Report your taxable income under the Service and Other Activities (\$1 million or greater in prior year) classification.

If you (or your affiliated group) had less than \$1 million of taxable income in the prior calendar year, the 1.5% tax rate applies and you may report your taxable income under the Scientific Research and Development classification. (See our Workforce Education webpage for more details.)

Exceptions for specific industries

Real estate brokers

Income from commissions continues to be reportable on the excise tax return under the 1.5% rate of the Service and Other Activities classification, even if the commissions earned exceed \$1 million in the prior calendar year.

Real estate brokers that have income other than commissions taxable under RCW 82.04.255 (e.g. property management fees) are subject to the 1.75% Service and Other Activities rate, if this income exceeded \$1 million in the prior calendar year. (See our Workforce Education webpage for more details.)

Hospitals

Hospitals, as defined in RCW 70.41.020, continue to report income from providing services to patients and clients under the For Profit Hospital or Public/Non-profit Hospitals B&O tax classifications. Any income from activities subject to service and other activities B&O tax is reported on the excise tax return under the 1.5% rate, even if amounts earned are \$1 million or more in the prior calendar year.

Definitions

Affiliate and **affiliated** means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another person.

Control means the possession, directly or indirectly, of more than 880% of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting shares, by contract, or otherwise.

Affiliated group means a group of two or more persons that are affiliated with each other.

Questions and information

- ESSB 6492
- RCW 82.04.290
- Visit dor.wa.gov/WorkforceEducation
- Call 360-705-6705
You may also request a tax ruling