



Correctional Industries
Department of Corrections
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Customer Service 1.800.628.4738

HQ Administration
Correctional Industries
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February 15, 2006

Dear Customers;

In an effort to provide better customer service, Correctional Industries is changing its policy on sales tax collection. WAC 458.20.189 states that when one state agency sells to another, the selling agency is not *required* to collect sales tax. However, the purchasing agency is not exempt from paying sales or use tax on those purchases. If sales tax is not collected at the time of purchase the buying agency must track these purchases for later payment of use tax. In an effort to simplify their processes, many of our customers have requested that we include sales tax on their invoices. This obviates their need to track these purchases separately for payment of use tax.

Due to the increasing requests from our customers to include sales tax on their invoices, we will be changing our policy to include sales tax on all applicable invoices for all applicable customers. This will eliminate the need for our customers to track these purchases separately for later payment of use tax and will streamline our processes.

This change will take effect April 1, 2006. If you have questions please feel free to call me at 360-753-5704 or Sherra Syrovoy at 360-753-9661.

Regards,

Jim Morgan
Controller