

**City of Gig Harbor  
Transportation Benefit District  
Car Dealers and Leasing Companies  
Effective January 1, 2025**

**Effective January 1, 2025**, sales and use tax within the City of Gig Harbor will increase one-tenth of one percent (.001). The tax will be used for transportation services.

Businesses must collect the appropriate new rate of sales tax for retail sales and services provided within the City of Gig Harbor. Persons or businesses within the City of Gig Harbor will be subject to the new rate of use tax on items purchased for their personal or business use if sales tax has not been paid.

**Special Reporting Instructions for Sales or Leases of Motor Vehicles:**

Businesses that report sales or leases of motor vehicles (for up to the first 36 months of the lease) will need to report using the following location code and tax rate. After the first 36 months of motor vehicle leases, the original city code should be used.

| Location             | Location Code | Local Sales Tax Rate | State Sales Tax Rate | Total Sales Tax Rate |
|----------------------|---------------|----------------------|----------------------|----------------------|
| Gig Harbor MVET*     | 2758          | .025                 | .065                 | .090                 |
| Gig Harbor HBZ MVET* | 2798          | .025                 | .065                 | .090                 |

**Reporting Instructions for Retail Sales:**

Businesses that report retail sales (other than sales or leases of motor vehicles) will need to report using the following location codes and tax rates:

| Location        | Location Code | Local Sales Tax Rate | State Sales Tax Rate | Total Sales Tax Rate |
|-----------------|---------------|----------------------|----------------------|----------------------|
| Gig Harbor*     | 2708          | .026                 | .065                 | .091                 |
| Gig Harbor HBZ* | 2788          | .026                 | .065                 | .091                 |

\*In addition to the .001 Transportation Benefit District tax, the City of Gig Harbor has imposed the Public Safety tax on January 1, 2025 for a total rate increase of .002.

Below is an example of how to report local retail sales tax on your excise tax return assuming sales of motor vehicles total \$50,000 and repairs total \$10,000 in the City of Gig Harbor.

| Location Code | Taxable Amount |    | Local Rate | Tax Due City or Co. |    |
|---------------|----------------|----|------------|---------------------|----|
| 2708          | 10,000         | 00 | .026       | 260                 | 00 |
| 2758          | 50,000         | 00 | .025       | 1,250               | 00 |
| TOTAL TAXABLE | 60,000         | 00 | TOTAL      | 1,510               | 00 |

  

| Tax Classification         | Taxable Amount |    | Rate | Tax Due |    |
|----------------------------|----------------|----|------|---------|----|
| Motor Vehicle Sales/Leases | 50,000         | 00 | .003 | 150     | 00 |

**New sales tax applies i.e. service and parts.**

**Represents only motor vehicle sales.**

*Continued...*

State of Washington  
Taxpayer Account Administration  
PO Box 47476  
Olympia WA 98504-7476

For tax assistance or to request this document in an alternate format, please call 360-705-6705. Teletype (TTY) users may use the Washington Relay Service by calling 711.

The three-tenths of one percent (.003) Motor Vehicle Sales/Lease applies to the sale, lease, or rental of motor vehicles.

To determine the proper codes and rates of local sales tax you may access our Tax Rate Lookup Tool located at [dor.wa.gov/TaxRateLookup](http://dor.wa.gov/TaxRateLookup).

This notice is being sent to businesses that have reported local sales or use tax to any of the above location codes within the last year.

If you have questions, or if Sales Tax Collection Schedules are needed, please go to our web site at [dor.wa.gov](http://dor.wa.gov) or call the Department of Revenue at 360-705-6705.

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