

# 2025 tax preference review: Trade Convention Attendance

## Legislative Auditor's conclusion

The preference meets the inferred objective of providing tax treatment like that in other states. Washington's tax laws limit the number of beneficiaries and the amount they can save.

### Key points

- Preference exempts out-of-state businesses that attend only one Washington trade convention per year and do not make sales or take orders at the convention.
- Washington tax laws effectively limit the number of beneficiaries and the amount they can save.
- Preference provides consistent treatment across states.
- The preference likely has minimal influence on trade convention attendance due to its limited nature.

### Tax detail

**Tax type:**  
Business & occupation (B&O) tax; Sales and use tax

**Beneficiary savings:**  
Indeterminate, minimal

**Expiration date:**  
January 2027

**RCW:**  
RCW 82.32.531

Read the full report: [leg.wa.gov/jlarc/Audits](http://leg.wa.gov/jlarc/Audits)

## Recommendation to the Legislature

### 1. The Legislature should continue the tax preference.

- The preference meets the inferred objective of providing consistent tax treatment with other states.
- Trade convention events and attendance are not at the 2015 level, but the COVID-19 pandemic disrupted the convention industry. The influence of the preference on trade convention attendance is likely minimal due to the limited nature of the preference.

## Contact us

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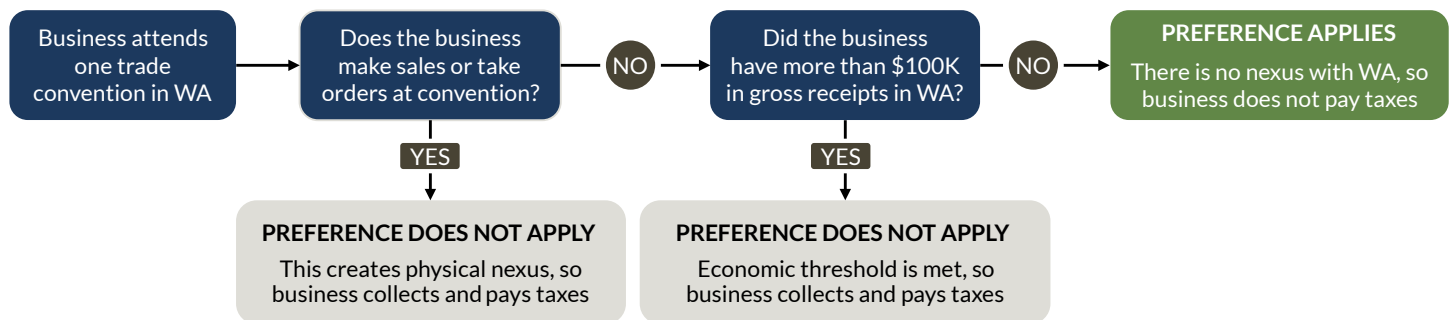
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## With preference, attending one trade convention per year is not enough, on its own, to establish nexus based on physical presence

Nexus rules define the minimum connection between a business and the state that would make a business's activity subject to the state's taxing jurisdiction.

Out-of-state businesses may have nexus with Washington if they either:

- Are physically present in the state.
- Have more than \$100,000 in combined gross receipts in Washington in the current or prior year.



## Use of the preference is unknown and limited by nexus rules

Beneficiaries do not register with the Department of Revenue or collect and remit applicable taxes.

As a result, there is no data about the number of beneficiaries or their savings.

A beneficiary's sales in Washington cannot exceed \$100,000 per year.

This limits B&O tax savings to about \$471 to \$1,500, depending on the type of business.

## With preference, Washington offers tax treatment similar to 17 comparison states and Washington, D.C.

Out-of-state businesses can attend a trade convention in these states without establishing nexus: Arizona, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Michigan, Nevada, North Carolina, Oregon, Tennessee, Texas, Washington, and Washington, D.C.

## Convention attendance has recovered but remains below 2015 levels

