



**Business and Occupation Tax Return**  
**Title 6 of the Tacoma Municipal Code, as Amended.**

Contract Account Number

Business Site Address

**YEAR**

\_\_\_\_\_

Business Name:

**PERIOD**

Business DBA:

Mailing Address:

**TOTAL GROSS INCOME INCLUDES INCOME GENERATED FROM BUSINESS ACTIVITY IN TACOMA AND ALL OTHER LOCATIONS**

COLUMN 1 TAX CLASSIFICATION	COLUMN 2 GROSS INCOME SEE DEFINITION ABOVE	COLUMN 3 DEDUCTIONS	COLUMN 4 TAXABLE INCOME	COLUMN 5 TAX RATE	COLUMN 6 TAX DUE
Manufacturing & Extractions (31603)				0.0011000	
Retailing (31604)				0.0015300	
Wholesale Tax (31607)				0.0010200	
Service & Other (31605)				0.0040000	
Retail Services (31601)				0.0040000	
Service & Other Apportioned (31655)	Include Supplemental - Enter Amt from Line 6			0.0040000	
Intl Investment (31625)				0.0005500	
Admissions (General) (31621)	Include Supplemental			0.0500000	
Column Total					
If column 2 gross income is less than \$250,000.00 for the entire calendar year then no tax is due OR if column 4 taxable income is less than \$20,000 for the entire calendar year then no tax is due.					
LESS JOB CREDITS (See Reverse) - MUST HAVE INFORMATION SHEET ON FILE (31615)					
LESS MULTIPLE ACTIVITIES TAX CREDIT - MUST HAVE SUPPLEMENTAL FORM ATTACHED (31617)				AVAILABLE AT CITYOFTACOMA.ORG	
LESS SMALL BUSINESS CREDIT (31858)					
Penalties - SEE REVERSE (31960)					
Interest - SEE REVERSE (31961)					
<b>TOTAL PAYMENT ENCLOSED &gt;&gt;</b>				<b>CHECK#</b>	

TAX CLASSIFICATION DEDUCTIONS	Credit Losses (1)	Interstate (3)	Liquor (4)	Other (5)	Other Description	Deliveries Made Outside City (20)	TOTAL DEDUCTIONS
Manufacturing & Extractions (31603)							
Retailing (31604)							
Wholesale Tax (31607)							
Service & Other (31605)							
Retail Services (31601)							
Intl Investment (31625)							

HAS BUSINESS DISCONTINUED, SOLD OR TRANSFERRED? YES [ ]

Date Business Discontinued in Tacoma: \_\_\_\_\_  
Name, Address & Phone # of New Owner: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I declare under the penalties of perjury that I have examined this return (including any accompanying documents) and, to the best of my knowledge and belief, it is a true, correct and complete return.

Signature: \_\_\_\_\_

Office of Title: \_\_\_\_\_

Telephone #: \_\_\_\_\_ Date: \_\_\_\_\_

NEW ADDRESS? YES [ ] (Make corrections above on address)

# City of Tacoma - Tax and License Division

## Business and Occupation Tax Return

Tacoma Municipal Code Title 6 imposes taxes for the act or privilege of engaging in business activities. The amount of tax is computed by multiplying the measure of the tax by the tax rate applicable to the particular business. Business activity is separated into a type of tax classification with a corresponding tax rate, indicated on the front of the return. A brief description of each classification is as follows:

### Chapter 6A.10 - General Tax Provisions

**Penalties and Interest** - Penalties and interest are assessed for the failure to file and pay tax returns on or before the due date. The due date is the last day of the month following the end of the reporting period. USPS postmark date will determine the date of filing when a tax return is mailed.

**Computing Penalty** - If a tax return is paid within one month following the due date, add 9% of the tax; within the second month following the due date, add 19% of the tax; after the last day of the second month following the due date, add 29% of the tax. Minimum penalty assessment is \$5.00. Interest is computed at the current annual rate. For current or previous years rates, please call 253-591-5252.

**Sales or Transfer of Business** - Shall include but not be limited to the following: The adding or dropping of a partner; incorporating, or a sale to another person. Whenever any taxpayer quits business, sells out, exchanges, or otherwise disposes of the business or the stock of goods, any tax payable shall become immediately due and payable. A successor may be liable for any outstanding tax owed.

### Chapter 6A.20 - Admissions

**Admissions** - Admissions tax must be collected on charges for admissions and use of facilities by persons engaged in the amusement and recreation business. The term "places of amusement or recreation" means every place to which a charge is made for admission and every place in which a charge is made for the operating, playing or use of equipment or facilities designed for amusement or recreation. Gross admissions, less the admission tax collected, must be reported under Service Retail classification.

### Chapter 6A.30 - Business and Occupation Tax

This Chapter imposes a tax for the act or privilege of engaging in a business activity. The amount of tax is computed by multiplying the measure of the tax by the tax rate applicable to the particular business. Businesses are divided into the classifications hereinafter shown and the measure of the tax and the rate is as indicated on the front of return. If you are uncertain of income classification call (253) 591-5252 for determination.

**Gross Income** - Total gross income includes income generated from business activity in Tacoma and all other locations.

**Manufacturing** - This classification embraces all activities of a commercial or industrial nature wherein labor or skill is applied by hand or machinery, to materials or ingredients so that as a result thereof a new, different or useful product is produced for sale or commercial or industrial use. The measure is the "value of products manufactured" and the value is determined by the selling price. If products manufactured are used by the manufacturers and not sold, the "value" is the selling price of similar products by others.

**Extracting** - This is the taking of natural products such as logging, mining, quarrying, fishing, etc. The measure is the "value of products extracted" and the value is determined by the selling price. If extracted products are used by the extractor and not sold, the "value" is the selling price of similar products by others.

**Printing Industry** - (Report on Line 1: Manufacturing) Generally the phrase "Printing Industry" includes all planographic, relief, and intaglio printing businesses. The measure of the tax is the value of products.

**Publicly Owned Road Construction** - (Report on Line 1: Manufacturing) The measure of the tax is gross income. This includes a person engaged in the business of building, repairing or improving any street, place, road, highway, bridge, etc., which is owned by a municipal corporation or public subdivision of the state or by the United States and which is used or to be used primarily for foot or vehicular traffic.

**Retailing** - Report under this classification all sales of tangible property consumed and/or for labor and services with respect to installing, repairing, cleaning, altering, imprinting, or improving of tangible personal property of or for consumers, etc. as defined in Section 6A.30.030.

**Printing and Publishing of Newspapers** - (Report on Line 2: Retailing) The word "Newspaper" means a publication or an electronic version of a printed newspaper that shares content with the printed newspaper and is prominently identified by the same name as the printed newspaper, offered for sale regularly at stated intervals, at least twice a month, and printed on newsprint in tabloid or broadsheet format, folded loosely together without stapling, glue, or any other binding of any kind. It must be of general interest, containing information on current events. It does not include racing forms or other publications devoted to a specialized field. The measure of the tax is "gross income".

**Wholesaling** - Report under this classification the sale of tangible personal property which is not a sale at retail and any charge made for labor or services rendered for persons who are not consumers.

**Service and Other Activities** - This classification includes every business except those specifically listed under other classifications. The measure of the tax is "gross income". Radio and Television Broadcasting activities are taxable under this classification. (See Service and Other Apportioned if activities are conducted in two or more jurisdictions for periods beginning January 1, 2008.)

**Service and Other Apportioned** - Income apportioned to a city by multiplying service income by a payroll factor (based on the payroll within the city), plus the service-income factor (based on the income producing activity attributable for tax purposes within the city), divided by two, for periods beginning January 1, 2008. Worksheet can be found at [www.cityoftacoma.org](http://www.cityoftacoma.org).

**Service Retail** - Report under this classification the sales of or charge made for personal, business, or professional services, including amounts designated as interest, rents, fees, admission, and other service emoluments however designated, received by persons engaging in certain activities: (Refer to section 6A.30.030).

**International Investment Management Services** - A person is considered to be engaged in providing international investment management services if such person is providing investment management services and/or is a member of an affiliated group primarily in the business of providing investment management services to collective investment funds, and at least 15 percent of the gross income of the person and/or affiliated group is derived from providing investment management services to any of the following: (A) persons or collective investment funds residing outside the United States; or (B) collective investment funds with at least 50 percent of their investment assets located or issued outside the United States.

**Small Business Credit** - For tax reporting purposes beginning January 1, 2011, a credit is made available to all businesses located in the City whose gross income is \$250,001 through \$300,000. The credit shall be 90% of the tax due for businesses whose gross income is \$250,001 through \$260,000, 80% of the tax due for businesses whose gross income is \$260,001 through \$270,000, 70% of the tax due for businesses whose gross income is \$270,001 through \$280,000, 45% of the tax due for businesses whose gross income is \$280,001 through \$290,000 and 25% of the tax due for businesses whose gross income is \$290,001 through \$300,000.

**Multiple Activities Tax Credit** - A multiple activities tax credit will be allowed when the taxpayer is a printer, manufacturer or extractor and has activities that take place in one or more cities with eligible gross receipt taxes. (Refer to section 6A.30.070).

**Job Credits** - You can receive a \$500 B&O tax credit every year for five years if you: Add an additional full-time position to your Tacoma workforce; Pay that new employee at least "Family Wage" as developed by the Washington State Employment Security Department, no matter what kind of job it is; Keep that new position for at least five years (if your employee leaves the position, you have three months to refill it without any reduction in the credit);

**Additional credits are available for a total of up to \$1,500 every year for five years if you add a job as described above.**

- Get an extra \$500 B&O tax credit if the employee that fills the new position is a Tacoma resident
- Get an extra \$250 B&O tax credit if the position meets the definition of a "Green Job" as defined in TMC 6A.30.065
- Get an extra \$250 B&O tax credit if you do business in international services, such as computer services, engineering, business consulting or other ventures that reach outside the country's borders and add the new job to your workforce in Tacoma within the empowerment zone or "distressed areas", areas of high poverty and unemployment, as defined by the Washington State Department of Revenue. (For more information, call Washington State Department of Revenue's Telephone Information Center at 1-800-647-7706)

Maintain records that show the growth in your employment base in Tacoma; Take the credit against your City of Tacoma taxes each year and attach a supplemental information sheet.

**Business and Occupation Tax Exemptions and Deductions** The law allows certain exemptions and deductions under the Business and Occupation tax classifications. Some of the more common exemptions and deductions are listed below. See section 6A.30.090 and 6A.30.100 for the complete list.

#### Exemptions:

- Persons whose business is taxable under Chapter 6A.40 (Communications Tax), Chapter 6A.90 (Natural or Manufactured Gas Tax) and Chapter 6A.100 (Utility Gross Earning - Public Utilities).
- Persons whose business is taxable under Chapter 6A.60 (Gambling Tax).
- Licensed insurers and insurance producers are exempt on amounts received relative to the premiums for which the premium tax has been paid to the state pursuant to RCW 48.14.020.
- Gross proceeds from sales of real estate (but not commissions received by agents and brokers which are taxable).

#### Deductions:

- Cash discounts taken by your purchaser.
- Credit losses actually sustained, if on accrual basis.
- Income derived from business which the city is constitutionally prohibited from taxing under Washington State or United States laws.
- Income from tangible personal property delivered outside the City.

Deductions claimed in column 3 must be explained in the space provided. Unexplained deductions will be disallowed and assessments issued for tax deficiency.

TXL 183 (01/11)