



## Bellingham Transportation Benefit District Car Dealers and Leasing Companies Effective April 1, 2011

**Effective April 1, 2011**, the City of Bellingham will establish a Transportation Benefit District (TBD). Sales and use tax within the City of Bellingham will increase two-tenths of one percent (.002). 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 Bellingham. Persons or businesses within the City of Bellingham will be subject to the new tax rate for reporting 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 thirty-six months of the lease) will need to report using the following location code and tax rate. After the first thirty-six months of motor vehicle leases, the original city/county code would be used.

Location	Location Code Number	Local Sales Tax Rate	State Sales Tax Rate	Total Sales Tax Rate
Bellingham TBD – MVET	3751	.021	.065	.086

### 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 code and tax rate:

Location	Location Code Number	Local Sales Tax Rate	State Sales Tax Rate	Total Sales Tax Rate
Bellingham TBD	3701	.022	.065	.087

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 Bellingham.

Location Code	Taxable Amount	Local Rate	Tax Due City or Co.
3701	10,000 00	.022	220 00
3751	50,000 00	.021	1050 00
<b>TOTAL TAXABLE</b>	<b>60,000 00</b>	<b>TOTAL</b>	<b>1,270 00</b>

  

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

Represents retail sales/services.

Represents only motor vehicle sales/leases.

**Note:** The three-tenths of one percent (.003) Motor Vehicle Sales/Lease Tax that was implemented July 1, 2003 still 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](http://dor.wa.gov). On the home page, click on the **Find a sales tax rate (GIS)** link.

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 1-800-647-7706.