

Instructions for Completing the Business & Occupation Activities Return

(You must file a return even if you had no business activity)

If this return does not include your reporting classification, please call the Telephone Information Center at 1-800-647-7706. You must do one of the following steps by **January 31, 2015**:

1. If you **had business activity**, the simplest way to file your return is to use our free **E-file** service at **dor.wa.gov**.
2. If you **did not have business activity**, you must still file your return by using one of the following options:
 - **E-file**: The simplest way to file is to use our free **E-file** service at **dor.wa.gov**.
 - **Phone**: To use our automated system at anytime call 1-800-647-7706. At the greeting enter 1 at each prompt, your 9 digit tax registration number, and then follow the instructions given.
 - **Mail**: Check the "no business activity" box at the top of your tax return, sign, date, and mail to the address listed at the top of your return.
3. If your **business is closed**, and the close date is within this filing period, **you must still file your return**. You must close your account by using one of the following:
 - **Online**: See more information about closing your account, and to complete the online form go to our website at dor.wa.gov/CloseAccount.
 - **Phone**: To use our automated system call 1-800-334-8969. At the greeting enter 1, then 430 and follow the instructions given.
 - **Mail**: Complete your return reporting any revenue collected and check the "Business Closed" box at the top of your tax return, enter the date closed and mail to the address listed at the top of your return.

Section I: State Business and Occupation (B&O) Tax, Lines 1-6

1. Locate the B&O Tax line for your business. Enter the gross income from your business activities under Gross Amount.
2. Calculate your total deductions. (**Deductions do not apply to all taxpayers**)
 - a. On pages 3 & 4, Deduction Detail, locate the line number and activity that correspond to the line number of your B&O tax classification on page 1 of the tax return.
 - b. Enter the amount of your deduction next to the appropriate deduction type.
 - c. Enter the total amount of deductions in the Total box.
 - d. Transfer the total deduction amount to the corresponding line on page 1.
3. On page 1, subtract the deductions from the gross amount. Enter that number under Taxable Amount.
4. Multiply each taxable amount by the rate shown and enter the amount under Tax Due.
5. Add tax due amounts (lines 1-6) and enter the total on line 18.

Section II - State and Local Use Tax, Lines 7-12 State Use Tax/Deferred Sales Tax, Line 7

1. Under Gross Amount, enter the value of articles used or consumed in Washington State on which sales tax has not been paid.
2. Multiply the gross amount by the rate shown and enter the amount under Tax Due.

Local Use Tax/Deferred Sales Tax, Lines 8-9

1. Enter the location code and local rate for each location in which tax is due. If more than two locations, please report local use tax/deferred sales tax on page 2 of the Local Sales & Use Tax

Addendum. To access the addendum, or to find current location codes and rates from our Local Sales & Use Tax Rates & Changes flyer, visit our website at **dor.wa.gov**.

2. Enter the taxable amount for each location code under Value of Articles.
3. Multiply the value of articles by the local rate and enter the amount under Tax Due City or County.
4. Add the value of article amounts and enter the sum under Total Value of Articles on line 10. This amount must be the same as the gross amount on line 7.

Litter Tax, Line 11

1. Enter the taxable sales for litter tax under Taxable Amount.
2. Multiply the taxable amount by the rate shown and enter the amount under Tax Due.

Total Tax Due from Section II, Line 12

1. Add the amount from the Tax Due boxes (lines 7-11) and enter the sum on line 12. Transfer this total to page 1, line 19.

Section III - Credits, Lines 13-17

1. Enter credit amount(s) on the appropriate line(s).
2. Utilize the appropriate Small Business B&O Tax Credit Table, to determine if you are eligible for this credit. SBC tables are enclosed with your return or can be found at **dor.wa.gov**. If you are eligible, enter the amount on line 13 in the Amount of Credit column.
3. Total all credits on lines 13-16, and write this amount in the Total Credit box, line 17. Transfer this amount to Section IV, line 22 on page 1 of the return.
4. Attach any documents or schedules required to support your credit(s) to the tax return.

Section IV - Totals, Lines 18-25

1. Line 18 should be the tax due amounts from lines 1-6, page 1.
2. Line 19 should be the tax due amount from line 12, page 2.
3. On line 20, enter sum of all addendums.
4. Add lines 18-20, and enter subtotal on line 21.
5. Subtract line 22 from line 21, and enter subtotal on line 23.
6. If you file this tax return after the due date shown on page 1 of the tax return, you owe a penalty. See penalty rates on page 1 of the tax return below the due date and enter the penalty rate in the percentage section of line 24. Multiply the penalty rate you owe by the subtotal on line 23 and write this amount in the total section of line 24.
7. Add lines 23 and line 24 and enter amount on line 25. This is your total amount due.

Finishing Your Tax Return

To help us process your tax return, please:

1. Make sure the gross amounts reported were earned during the reporting period shown on the return.
2. If you have deductions, print your name and DOR Tax Registration number on the top of page 3, Deduction Detail.
3. Attach the Deduction Detail page and any credit schedules or addendums to your return, if applicable.
4. **Sign and date the return.**
5. Write a daytime phone number, including area code.
6. Mail to the address on the top of your return or use the envelope provided.

Did you report your use tax?

Most businesses owe use tax through their normal business activities.

What is use tax?

Use tax is a tax on the use of goods or certain services in Washington when sales tax has not been paid. Goods used in this state are subject to either sales or use tax, but not both. Use tax compensates when sales tax has not been paid. Use tax is the same rate as sales tax.

When is use tax due?

Use tax is due if:

- Goods are purchased in another state that does not have a sales tax or a state with a sales tax rate lower than Washington's. For example, items you purchase in Oregon that are used in Washington are subject to use tax.
- Goods are purchased from someone who is not authorized to collect sales tax. For example, purchases of furniture from an individual through a newspaper classified ad or a purchase of artwork from an individual collector.

- Goods are purchased out of state by subscription, through the Internet, or from a mail order catalog company. Many of these companies collect Washington's sales tax, but if the company from which you order does not, you owe the use tax.
- Personal property is acquired with the purchase of real property. For example, furnishings or equipment purchased with a building.

How do I pay use tax?

To pay use tax, complete Section II of the Business & Occupation Activities Return (enclosed). Use tax is owed on the value of the goods when they are first used in Washington. Generally, this is the purchase price. However, a depreciated value may be determined if the goods are used outside the state for a lengthy time before use in Washington by the same person. Use tax is also due on any freight, delivery, or shipping charges paid to the seller.

Your use tax rate is the same as your sales tax rate. To find the correct rate for your area, check out our Local Sales Tax Rates or try our Tax Rate Lookup Tool on our website. You'll find both at dor.wa.gov.



Free

eFile

Washington State Department of Revenue

**It's safe, fast,
and smart.**

Website: dor.wa.gov

Need help? Call us weekdays 8 a.m. to 5 p.m.
at 1-877-345-3353