

Instructions for Completing the *Combined Excise Tax Return*

The following instructions are provided to help you complete the *Combined Excise Tax Return*. If you need further clarification of a tax classification or credit application, go to Department of Revenue's web site at dor.wa.gov. For business closure information, click on **Doing Business**. For assistance in completing your return, click on the **Excise Tax Returns and Information** link from our home page. You can also call our toll free number at 1-800-647-7706 to obtain an original.

DOR Tax Registration/UBI Number: The nine-digit number above your name and address on your *Combined Excise Tax Return* is your Tax Registration/UBI Number. This number is unique to you and your business. Please be sure to write this number on any addendums, attachments to your return, Deduction Detail, page 3, and on your check.

Rounding: You may round off to the nearest whole dollar by: dropping amounts that are less than 50 cents and rounding up amounts that are 50 cents or more. For example, if your gross sales for the reporting period total \$12,123.48 enter \$12,123.00 on the return. If your gross sales for the period total \$23,334.50, enter \$23,335.00 on the return. Round off all amounts, even the calculated tax due.

▶ **Tax Return Due Date:**

- **Monthly due date is the 25th of the following month.**
- **Quarterly due date is the last day of the month following the quarter.**
- **Annual due date is the last day of January the following year.**
- **Filing Electronically - If you would like to file your return electronically, please refer to the E-file instructions enclosed with your return information.**

INSTRUCTIONS FOR COMPLETING YOUR RETURN

Getting Started

Starting at the top of page 1 below the title and heading:

1. If you had an address change, indicate the change on the pre-printed address located at the top right of page 1.
Indicate whether this change was a business location, mailing address change, or both by checking the appropriate box(s).
2. If your business closed during the last year, fill in the appropriate box and indicate the date the business closed in the space provided on page 1. To update your account information or to close your account with the Department of Revenue on-line, go to our web site at dor.wa.gov. Click on **Doing Business**, and then select the applicable link under **My Account**. You can also call us at 1-800-647-7706.
3. If you had no business activity, fill in the appropriate box located above the due date and penalty information. Sign and date your return in the space provided and mail the original form to DOR in the self-addressed envelope provided. You may also call DOR's 24-hour automated attendant to file a no business return at 1-800-647-7706.

I State Business and Occupation (B&O) Tax, Page 1 Lines 1-16

Locate the proper tax classification for your business activities on lines 1-16.

1. In column 1, on the line for the appropriate B&O tax classification, write the gross income resulting from your business activities.
2. If you have deductions, enter the total deductions in column 2. (*Deductions must be itemized on pages 3 & 4*). If you have no deductions, write 0 in column 2.
3. Subtract column 2 from column 1. Write this amount in column 3. This is your taxable amount.
4. Multiply each taxable amount in column 3 by the rate in column 4 and write this amount in column 5. Total the amounts in column 5, lines 1-16, and write this amount in the *Total B&O Tax* box.

II State Sales and Use Tax, Page 1 State Retail Sales Tax, Line 17

1. On line 17, column 1, copy the amount from line 16, column 1. Amounts on lines 16 and 17, column 1, **must be the same**. (*If you are a printer and publisher, or a processor for hire, special instructions apply. Please go to our web site at http://dor.wa.gov/content/FileAndPayTaxes/BeforeIFile/Def_TxClassBandO.aspx. You can also call us at 1-800-647-7706.*)
2. If you have deductions, enter the total deductions in column 2. (*Deductions must be itemized on page 4*). If you have no deductions, write 0 in column 2.
3. Subtract column 2 from column 1. Write this amount in column 3. This is your taxable amount.
4. Multiply the taxable amount in column 3 by the rate shown in column 4 and write this amount in column 5.

State Use Tax/Deferred Sales Tax, Line 18

1. Write the value of articles used on line 18, column 1.
2. Multiply the amount in column 1 by the rate shown in column 4. Write this amount in column 5.
3. Total the amounts in column 5, lines 17 and 18, and write this amount in the *Total State Sales and Use Tax* box.

III Local City and/or County Sales and Use Tax, Page 1 Local Sales Tax, Lines 19-22

1. On lines 19-22, write the location code(s) and rate(s) in the appropriate columns for each location where retail sales took place. If possible, please list location codes in numerical order. For local tax codes and rates, refer to the *Local Sales & Use Tax Rates & Changes* flyer sent with your tax return or go to our web site at dor.wa.gov. For examples on determining your location code, refer to page 4 of these instructions.

Note: If you need additional space to report local sales taxes, you may attach a sheet with the additional information in the same format as on the return. You may also visit our web site at dor.wa.gov to download the Local Sales and Use Tax Addendum or request a copy from us by calling 1-800-647-7706.

2. Write your taxable amount for each location code in the Taxable Amount column.
3. Total the amounts in the Taxable Amount column and write this amount in the *Total Taxable* box. **This amount must be the same as line 17, column 3.**
4. Multiply each taxable amount by the local rate. Write the amount(s) in the Tax Due City or County column. **Do not include Motor Vehicle Sales/Leases, King County Food & Beverage, or Litter taxes here.**
5. Total the amounts in the Tax Due City or County column and write this amount in the *Total* box. Include amounts from the attachment if you have any additional sheets.

Local Use Tax/Deferred Sales Tax, Lines 23-24

1. On lines 23-24, write the location code(s) and rate(s) in the appropriate columns for each location in which use tax is due. If possible, please list location codes in numerical order. For local tax codes and rates, see the *Local Sales & Use Tax Rates & Changes flyer* sent with the tax return. For examples on determining your correct location code and rate, see page 4 of these instructions.
2. Write the value of articles for each location code in the Value of Articles column.
3. Total the amounts in the Value of Articles column and write this amount in the *Total Value of Articles* box. **This amount must be the same as line 18, column 1.**
4. Multiply the value of articles amount for each location by the local rate. Write the result(s) in the Tax Due City or County column. **Do not include Motor Vehicle Sales/Leases, King County Food & Beverage, or Litter taxes here.**
5. Total the amounts in the Tax Due City or County column and write this amount in the *Total* box.

Motor Vehicle Sales/Leases Tax, Line 25

Sales, leases, rentals and transfers of motor vehicles (including trucks and motor homes) licensed for on-road use are subject to this tax. The tax does not apply to passenger car rentals subject to the rental car tax.

1. Write the taxable amount in the Taxable Amount column on line 25.
2. Multiply the taxable amount by the rate shown and write this amount in the Tax Due column.

Regional Transit Authority (RTA) Tax, Line 26

The RTA tax is no longer reported separately. The local sales and use tax rates have changed to include the RTA rate. For those locations that are not in the RTA, new location codes have been established. For more information, see the Regional Transit Authority (RTA) Tax Reporting Changes Special Notice or the Local Sales & Use Tax Rates & Changes Flyer at dor.wa.gov.

King County Food and Beverage Tax, Line 27

Sales of food and beverages in King County restaurants, taverns and bars, which are subject to retail sales tax, are also subject to this tax.

1. Write the taxable amount in the Taxable Amount column on line 27.
2. Multiply the taxable amount by the rate shown. Write this amount in the Tax Due column.

Litter Tax, Line 28

Litter tax is owed on the gross sales of products in the following categories:

- Food for human or pet consumption (to go orders)
 - Groceries
 - Cigarette and tobacco products
 - Soft drinks and carbonated beverages
 - Beer and other malt beverages
 - Wine
 - Newspapers and magazines
 - Household paper and paper products
 - Glass, metal, plastic or fiber containers
 - Cleaning agents
 - Toiletries
 - Non-drug drugstore sundry products
1. Write the gross proceeds of sales for applicable products in the Taxable Amount column on line 28.
 2. Multiply the taxable amount by the rate shown. Write this amount in the Tax Due column.

IV Lodging Taxes, Page 2

The *Lodging Information Rates and Changes flyer* was sent with your tax return. This includes the rates for Lodging Taxes. To report lodging locations, use the same location codes used for reporting local sales tax, (with the exception of Pierce and King County, see *Lodging Information Rates and Changes flyer* for special location codes.)

Transient Rental Income Information, Lines 36-39

1. Write the four-digit location code(s) on page 2, lines 36-39, in the appropriate column.
2. Write the income from transient lodging for each location code in the Income column. There is no tax computation required for lines 36-39. Write "0" if there was no lodging income for the reporting period.

Tourism Promotion Area Charge, Lines 40-43

1. Write the four-digit location code(s) on page 2, lines 40-43, in the appropriate column.
2. Write the number of unit/days in the appropriate column.
3. Write the unit/day rate charged in the appropriate column.
4. Multiply the number of days by the day rate charge and write this amount in the Total Charges Due column.
5. Total the amounts in the Total Charges Due column and write this amount in the *Total Tourism Promotion Area Lodging Charge* box.

Convention and Trade Center Tax, Lines 44-46

1. Write the location code(s) and rate(s) for each location in the appropriate columns on page 2, lines 44-46.
2. Write the taxable amount for each location in the Taxable Amount column.
3. Multiply the taxable amount by the rate and write this amount in the Tax Due column.
4. Total the amounts in the Tax Due column and write this amount in the *Total Convention & Trade Center Tax* box.

Special Hotel/Motel Tax, Lines 47-49

1. Write the location code(s) and rate(s) for each location in the appropriate columns on page 2, lines 47-49.
2. Write the taxable amount for each location in the Taxable Amount column.
3. Multiply the taxable amount by the rate and write this amount in the Tax Due column.
4. Total the amounts in the Tax Due column and write this amount in the *Total Special Hotel/Motel Tax* box.

Important: If you file State Public Utility Tax, you will need to report using the State Public Utility Tax Addendum. Visit our web site at dor.wa.gov to obtain a copy or request a copy by calling 1-800-647-7706.

V Other Taxes, Page 2 Lines 50-54

1. The gross amount for tobacco products/cigars, refuse collection, petroleum products, and hazardous substance taxes is based on the value of the product. In column 1, on the line for the appropriate tax classification, write the gross amount. *Note: for the Tobacco Products/Cigar Tax Credit Worksheet, go to our web site at http://dor.wa.gov/Docs/forms/CigTx/TobProdCigTxCrWksht_E.pdf.*
2. If you have deductions, enter the total deductions in column 2. (*Deductions must be itemized on page 4*). If you have no deductions, write 0 in column 2.
3. Subtract column 2 from column 1. Write this amount in column 3. This is your taxable amount.
4. Multiply the taxable amount in column 3 by the rate shown in column 4 and write this amount in column 5.

Lines 55-60

1. The taxable amount for solid fuel burning device fee is based on the number of devices sold; syrup tax is based on number of gallons of syrup sold; tire fee is based on the number of tires sold; cigar tax is based on the number of cigars sold; state enhanced 911, TRS, and WTAP taxes are based on the number of switched access lines, and/or radio access lines (wireless services). On the line for the appropriate tax classification, write the number of items sold in the Quantity column.
2. Multiply the Quantity by the rate shown in the Rate column and write this amount in the Tax Due column.

Total Other Taxes, Lines 50-60

1. Total the amounts in the Tax Due column, lines 50-60.
2. Write this amount in the *Total Other Taxes* box.

VI Credits, Page 2

Lines 61-74

1. Enter credit amount on the appropriate line(s).
2. Utilize the *Annual Small Business B&O Tax Credit Table*, to determine if you are eligible for this credit. SBC tables can be found at dor.wa.gov. If you are eligible, enter the amount on line 65 in the Amount column.
3. Total all credits on lines 61-74, and write this amount in the *Total Credit* box. Transfer this amount to Section VII, line 33 on page 1 of the return.
4. Attach any documents or schedules required to support your credit(s) to the tax return.

VII Totals, Page 1

Lines 29-35

1. Total all tax due amounts on page 1. This includes totals for B&O Tax, State Sales & Use Tax, Local Sales and Use Tax, Motor Vehicle Sales/Leases, King County Food and Beverage Tax and Litter Tax. Write the total on line 29.
2. Total all tax due amounts on page 2. This includes totals for Lodging Taxes, and Other Taxes. Write the total on line 30.
3. If applicable, write the total of all addendums on line 31 (for example, Public Utility Tax Addendum)
4. Add lines 29-31 and write this amount on line 32.
5. Subtract line 33 from line 32 and write this amount on line 34.
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. Multiply the penalty rate you owe by the subtotal on line 34, and write this amount on line 35.

*** Late Filing Penalties:** Penalty is due on all delinquent returns. However, no penalty applies if tax is not due. If you are filing your return late and are requesting a waiver of the penalty, please fill in the box at the bottom of page 1 and attach a written request to the return. The request must explain the circumstances that caused your return to be late.

The Department may waive the penalties or interest imposed upon finding that failure to timely pay any tax was due to *circumstances beyond the taxpayer's control*. For more information on penalty waivers, visit our web site at dor.wa.gov and click on **File & pay taxes**. You may also call our Tax Express System at 1-800-334-8969 and enter code 429.

7. Add lines 34-35, and write this amount in the *Total Amount Owed* box. This is the amount you owe.

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/UBI number on the top of page 3, Deduction Detail page.
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. Make a copy of your return for your files.
7. Write your DOR Tax Registration/UBI Number on your check.
8. Make the check payable to: Washington State Department of Revenue.
9. Do not staple your check to the return.
10. Mail the **original** return and payment, if due, in the self-addressed envelope enclosed with your return, or mail to the address printed at the top of your return, page 1.

HELPFUL HINTS FOR REPORTING SALES AND USE TAX

Determining Location Codes and Local Tax Rates (WAC 458-20-145)

Sales of Tangible Personal Property Originating in Washington State

Businesses making sales of products must use the location code and sales tax rate that corresponds to the place where the customer receives the product. For over the counter sales, where the customer receives the product at the retail location, the store's location will determine the location code and sales tax rate. Retailers that ship or deliver their product, either through the U.S. mail or a third party common carrier, must use the shipping or delivery address provided by the customer to determine the location code and sales tax rate.

- ▶ **Example:** A customer from Gig Harbor orders goods to be delivered from a store located within the city limits of Tacoma. The location code and tax rate for Gig Harbor apply to the sale.

Sales of Tangible Personal Property Originating in another State

Businesses making sales of goods that originate in another state must use the location code and tax rate that correspond to the location where the buyer receives the product in Washington.

- ▶ **Example:** A customer from Olympia orders goods from a business in Los Angeles. The location code and tax rate for Olympia apply to the sale.

Sales of Retail Services, Installation and Construction

Businesses performing retail services or selling products that usually include an installation charge must use the location code that corresponds to the place where the service or installation occurs.

- ▶ **Example:** A Bellevue store sells carpet to a Redmond customer. A fee for installing the carpet is added to the total charge. The location code and tax rate for Redmond apply to the total charge. (If the Redmond customer merely picks up the carpet at the Bellevue store, the location code and tax rate for Bellevue would apply. See prior example for sales of tangible personal property.)

Lease or Rental of Tangible Personal Property

Lease or rental of tangible personal property depends on the following:

Single payment: If a single payment is made and the person renting the equipment (lessee) picks up the equipment at the location of the business renting the equipment (lessor), then the lessor's location determines the code and local tax rate.

If a single payment is made but the equipment is delivered to the lessee at another location, the code is determined by the location where the lessee receives the equipment.

- ▶ **Example:** A Spokane business rents a rototiller to a customer in Airway Heights for two days. The customer picks up the rototiller at the Spokane business location and pays for the two days rental. The location code and tax rate for Spokane apply.

Periodic payments: If the item is leased for a length of time and periodic payments are made, the first payment is coded to the location where the lessee receives the equipment, normally the lessor's business location. All subsequent payments are coded to the location where the equipment is primarily used by the lessee.

- ▶ **Example:** A person in Yakima enters into a 36-month vehicle lease with a Seattle leasing company. The person picks up the vehicle in Seattle and drives it to Yakima. The location code and tax rate for Seattle applies to the first lease payment made by the person. The location code and tax rate of Yakima will apply to all subsequent lease payments.

If you have any questions about properly coding local sales and use tax, you can access the Department's Tax Rate Lookup Tool (GIS) that will identify the proper location code and tax rate for a specific address. To access the tool, go to dor.wa.gov. You can also contact your nearest DOR Revenue office, or call 1-800-647-7706.

Reporting Local Sales and Use Tax Rate Changes (WAC 458-20-199; -235)

Special instructions apply if local tax jurisdictions change tax rates or, due to incorporation; change their four-digit location codes in the middle of a reporting period. When such changes take place, the income must be split on the Excise Tax Return between the old rate and the new rate, or the old location and the new location as shown in the examples below.

- ▶ **Example:** The city of Union Gap increased its tax rate effective April 1, 2008. For sales taking place in Union Gap before April 1, the local tax rate was .014. Sales taking place on or after April 1 are taxed at .016.

III LOCAL CITY AND/OR COUNTY SALES AND USE TAX				
Local Sales Tax (Enter applicable rate of tax)				Code 45
Total Taxable Amount, must be the same as line 16, column 3, Taxable Amount				
Line No.	Location Code	Taxable Amount	Local Rate	Tax Due City or Co.
19	3911	3,000 00	.014	42 00
20	3911	2,000 00	.016	32 00
21				
TOTAL TAXABLE		5,000 00	TOTAL	74 00

Reflects January through March income

Reflects April through December income

- ▶ **Example:** The city of Spokane Valley incorporated as of April 1, 2003. For sales taking place before April 1, the local tax is coded to 3200. Sales taking place on or after April 1 are coded to the new location code of 3213.

III LOCAL CITY AND/OR COUNTY SALES AND USE TAX				
Local Sales Tax (Enter applicable rate of tax)				Code 45
Total Taxable Amount, must be the same as line 16, column 3, Taxable Amount				
Line No.	Location Code	Taxable Amount	Local Rate	Tax Due City or Co.
19	3200	3,000 00	.013	39 00
20	3213	2,000 00	.016	32 00
21				
TOTAL TAXABLE		5,000 00	TOTAL	71 00

Reflects January through March income

Reflects April through December income

Persons who have not reported as instructed above when local sales tax changes have taken place must file an amended tax return. For more information on filing an amended tax return, see page 7 of the Business Tax Guide available on our web site at dor.wa.gov.