

Welcome



Washington State Department of Revenue

Don't hesitate to...



Ask questions as they occur.



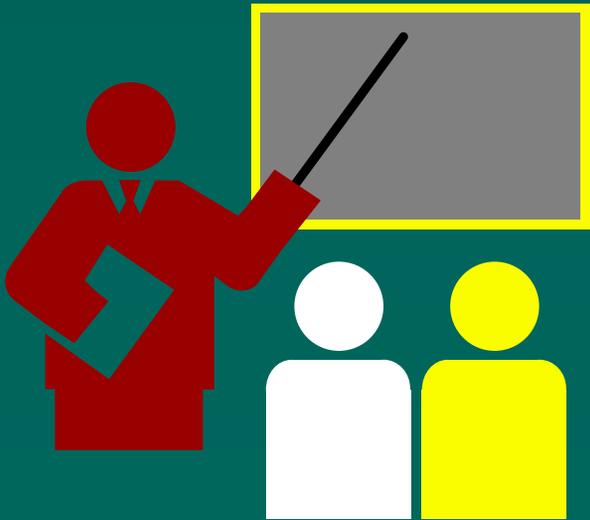
Take notes and feel free to take your materials home.



Class Outline

- ❖ Excise Taxes
- ❖ Business and Occupation (B&O) Taxes
- ❖ Retail Sales Tax
- ❖ Use Tax
- ❖ Public Utility Taxes
- ❖ Earmarked Taxes and Fees
- ❖ Construction
- ❖ Filing Requirements
- ❖ Due Dates
- ❖ Penalties
- ❖ Accounting Methods
- ❖ Record keeping
- ❖ Electronic Filing
- ❖ Preparing the Tax Return

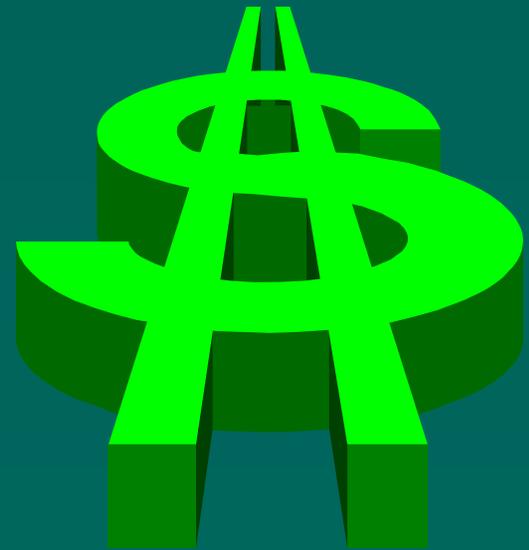
Workshop Objective



- ❖ Provide Washington tax information
- ❖ Complete the Combined Excise Tax Return
- ❖ Provide helpful contacts and resources
- ❖ Answer your questions

Department of Revenue

- ❖ Legislature passes tax laws
- ❖ DOR collects taxes
- ❖ Taxes pay for vital services
- ❖ DOR assists and audits businesses





Department Mission

- ❖ Fairly and efficiently collect revenues
- ❖ Administer programs to fund public services
- ❖ Advocate sound tax policy



Taxpayer Rights

- ❖ Timely, fair and equitable treatment with dignity and respect
- ❖ Accurate written information on reporting instructions, appeal procedures, refund claims and reasons for assessment
- ❖ Confidentiality of financial and business information



Taxpayer Responsibilities

- ❖ Know your tax reporting obligations and seek instructions when you are uncertain
- ❖ Keep accurate and complete business records
- ❖ File returns and pay taxes in a timely manner



Active Nonreporting Businesses

- ❖ The business activity does not require the collection of retail sales tax
- ❖ Gross income is less than \$28,000 for all B&O taxes and less than \$24,000 for all Public Utility taxes
- ❖ The business owes no other taxes or fees to the Department of Revenue

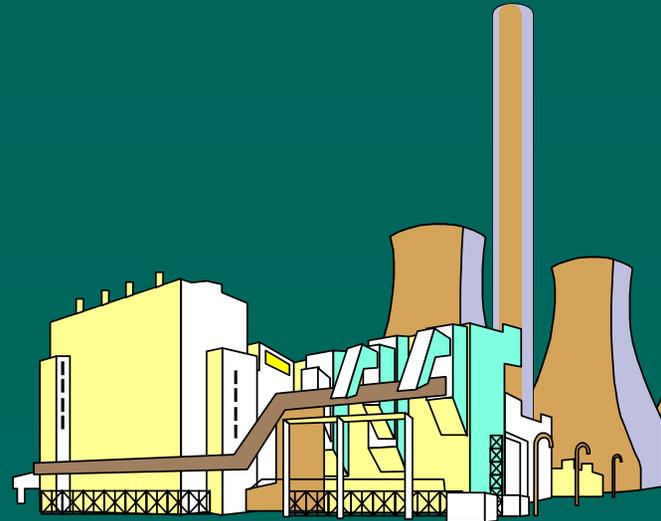
Excise Taxes

- ❖ Tax on buying, selling, using or engaging in business
- ❖ Tax on transactions
- ❖ Not an income tax



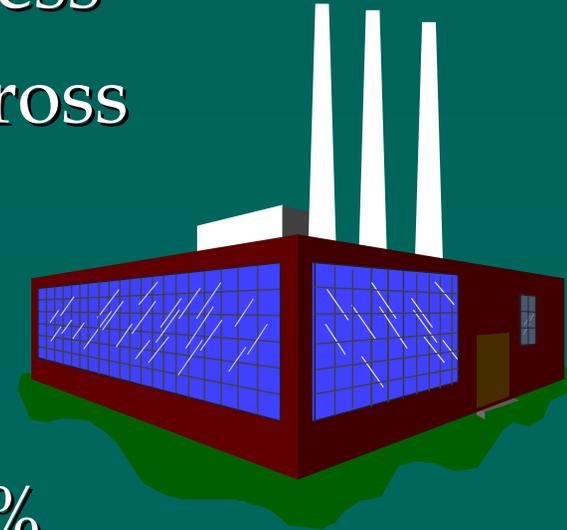
Major Excise Taxes

- ❖ Business and Occupation Tax (B&O)
- ❖ Retail Sales Tax
- ❖ Use Tax
- ❖ Public Utility Tax



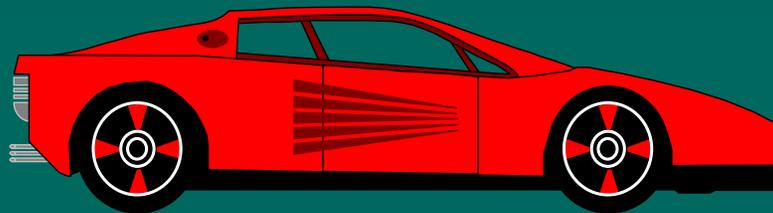
Overview of B&O Tax

- ❖ Tax for act of engaging in business
- ❖ Measured by gross income or gross proceeds of sales
- ❖ 30 classifications; some lines have multiple classifications
- ❖ 12 different tax rates (from .138% to 1.5%)



Retailing

- ❖ For reporting revenues from all retail sales of tangible personal property or labor and repair
- ❖ Examples: Furniture or clothing sales, prepared food sales, auto repairs and detailing, custom construction, physical fitness



Who Resaling

- ❖ For reporting sales of products or labor to persons who resell the same without intervening use
- ❖ The seller must receive and retain a resale certificate





Manufacturing

- ❖ For the revenues of businesses that manufacture products in Washington
- ❖ Tax on the local activity of manufacturing
- ❖ Manufacturing is creating a new, different or more useful product
- ❖ Gross amount is reported under Manufacturing and the Retailing or Wholesaling classifications

Service & Other Activities

- ❖ For the revenues of businesses that provide personal and professional services not defined as a retail sale
- ❖ Examples are: Accountants, Consultants, Engineers, Doctors, Janitorial Services, Clerical Services





B&O Tax Exemptions

- ❖ Exempt income is not reported
- ❖ Examples:
 - Farming income
 - Certain fundraising income for nonprofit organizations
 - Social service organizations
 - Sales or rental of real estate other than temporary lodging (over 30 days)

B&O Deductions

- ❖ Bad debts
- ❖ Cash and trade discounts
- ❖ Interstate and foreign sales
- ❖ Returns and allowances
- ❖ Casual sales
- ❖ Tax in gross



B&O Tax Credits

- ❖ Small Business B&O Tax Credit
- ❖ Multiple Activities Tax Credit (MATC)



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Retail Sales Tax

- ❖ Tax on the consumer
- ❖ Tax on sale, rental, repair, or installation of tangible personal property (includes labor)
- ❖ Collected by the seller and held in trust for the state
- ❖ Seller may not keep over-collected tax



Retail Sales Tax *(continued)*

- ❖ Seller is liable for the sales tax even if they failed to collect it or collected it at the wrong rate
- ❖ State rate is 6.5%
- ❖ Local rates vary from .5% to 2.0%
- ❖ RTA tax is .04%

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Retail Sales Tax Examples

- ❖ Vehicles, furniture, clothing, appliances
- ❖ Some amusement and recreation activities are retail sales taxable such as racquetball and golf
- ❖ Construction performed for consumers
- ❖ Parking, title insurance, escrow fees, landscaping, auto repair, laundry and dry cleaning





Place of Sale

Three Rules:

- Tangible personal property - store location
- Labor, installation, construction - where labor takes place
- Rentals of goods:
 - ◆ Short term - store location
 - ◆ Long term (over 30 days) - where goods are used

Geographic Information System (GIS)

- ❖ New simplified sales/use tax rates and coding system
- ❖ Three formats available
 - City/County Map Lookup
 - Address Lookup
 - Download Data





Retail Sales Tax Deductions

- ❖ Bad debts
- ❖ Cash and trade discounts
- ❖ Interstate and foreign sales
- ❖ Tax in gross
- ❖ Returns and allowances
- ❖ Sales to the US government

Retail Sales Tax Deductions

(continued)

- ❖ Qualified nonresident sales
- ❖ Trade-in allowance
- ❖ Sales to Indians delivered on reservations/trust lands
- ❖ Tax paid at source





Manufacturing Machinery & Equipment

- ❖ Sales or repairs to:
 - Machinery and equipment
 - ◆ Used directly in a manufacturing process or
 - ◆ For transporting or storing
 - Raw materials and ingredients
 - ◆ Used directly in a manufacturing process
 - Obtain an M&E certificate from purchaser



Deductions: B&O Tax vs Sales Tax

B&O TAX

- ❖ Bad debts
- ❖ Interstate and foreign sales
- ❖ Cash and trade discounts
- ❖ Tax in gross
- ❖ Returns and allowances
- ❖ Casual sales

SALES TAX

- ❖ Bad debts
- ❖ Interstate and foreign sales
- ❖ Cash and trade discounts
- ❖ Tax in gross
- ❖ Returns and allowances
- ❖ Sales to the US government
- ❖ Qualified nonresident sales
- ❖ Trade-in allowance
- ❖ Sales to Indians delivered on reservation/trust lands
- ❖ Tax paid at source



Resale Certificates

- ❖ All sales of a retail nature will be classified as retail sales unless a resale certificate is obtained
- ❖ For a single purchase or in blanket form
- ❖ Only recording the purchaser's UBI number is not sufficient
- ❖ Certificates must be taken in good faith
- ❖ When purchasing goods for resale, you must provide the supplier with a resale certificate



Resale Certificate

Resale Certificate

Name of Seller: _____ Name of Buyer/Business: _____

Address of Buyer: _____

Street _____ City, State _____ Zip Code _____

Buyer's UBI/Revenue Registration Number: _____ Buyer is in the business of: _____

Types if items purchased for resale: _____

The buyer certifies that it is purchasing the items listed above (please check appropriate box):

- for resale in the regular course of business without intervening use.*
- for use as an ingredient or component part of a new article of tangible personal property to be produced for sale,*
- as a chemical to be used in processing a new article of tangible personal property to be produced for sale, or*
- for use as feed, seed, seedlings, fertilizer, or spray materials in its capacity as a farmer.*

*The buyer acknowledges that it is solely responsible for purchasing within the categories listed on line 6. The buyer acknowledges that misuse of the resale privilege subjects the buyer to a **penalty of 50 percent of the tax due**, in addition to the tax, interest, and any other penalties imposed by law.*

Print Name: _____

Name of Person Authorized By the Buyer to Sign the Resale Certificate

Signature: _____

Signature of Authorized Agent of the Buyer

Effective Date: _____ through _____ Date Signed: _____

(Not To Exceed 4 Years)

NOTE: This is a **SAMPLE** Resale Certificate. It has been provided in this guide for your convenience. You may copy and use this form, or you may purchase a Resale Certificate from your local stationery store.



Construction Contractors

❖ Prime Contractors

- Work for a homeowner or end user
- Pay Retailing B&O and collect Retail Sales Tax

❖ Subcontractors

- Work for prime contractors who resell labor to a homeowner or end user
- Pay Wholesaling B&O
- Collect a resale certificate from Prime Contractor

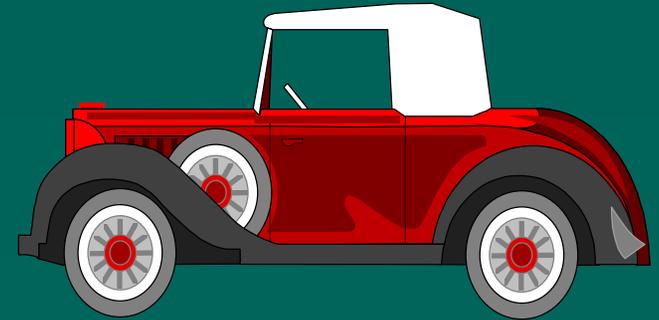
Construction Contractors

- ❖ Custom construction is building for a land owner
- ❖ Must pay retailing B&O tax and retail sales tax
- ❖ Materials and subcontract work may be purchased for resale
- ❖ Speculative construction is building on land the builder owns
- ❖ No B&O tax is due
- ❖ Retail sales tax or use tax is due on all materials and subcontract work



Use Tax

- ❖ Companion to sales tax on goods acquired for use in Washington
- ❖ When sales tax is not paid, use tax is due
- ❖ Generally, buyer must pay directly to DOR
- ❖ Value is taxable amount, including delivery costs (as of June 1, 2002)
- ❖ Rates same as sales tax, based on location of first use in Washington





Deferred Sales Tax

- ❖ Tax due when goods or services are acquired without payment of sales tax and it is later determined that sales tax is due
- ❖ Rate same as sales tax at the seller's location

Use Tax - Examples

- ❖ Purchases from out-of-state vendors
- ❖ Equipment used on construction jobs
- ❖ Furniture, fixtures and equipment that are purchased with an existing business



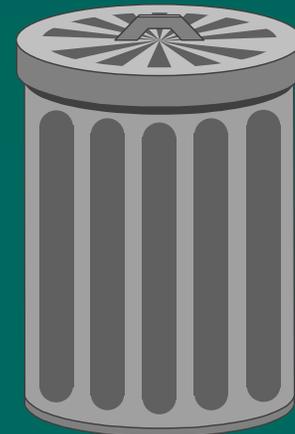


Public Utility Tax

- ❖ Tax on business for act of operating a public utility business
- ❖ Similar to B&O tax, but on public utility businesses
- ❖ Such as sewer facilities and trucking or motor transportation

Examined Taxes and Fees

- ❖ Convention and trade center tax
- ❖ Special hotel/motel tax
- ❖ Tobacco products tax
- ❖ Hazardous substance tax
- ❖ Solid fuel burning device fee
- ❖ Litter tax



Personal Property Tax

- ❖ All personal property used in businesses
- ❖ Collected by county auditors
- ❖ 100% of true and fair value
- ❖ Affidavits due by April 30
- ❖ Taxable property as of noon on January 1

January	February
1	
March	April
	30
May	June
July	August
September	October
	31
November	December

Reporting Frequency

New businesses are assigned monthly, quarterly or annual reporting frequencies

January						
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Due Dates

- ❖ Monthly
 - Due 25th of the following month
- ❖ Quarterly
 - Due the last day of the month following the quarter
- ❖ Annual
 - Due January 31 of the following year
- ❖ If the due date is on a weekend or holiday, the return is due the next business day

			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	



Penalties

- ❖ A return must be filed even if there is “no business”
- ❖ Penalties are as follows:
 - 5% filed after the due date
 - 10% filed after last day of the month following the due date
 - 20% filed after last day of the second month following the due date
- ❖ Extensions can be requested
- ❖ Penalties can be waived



Accounting Methods

❖ Cash basis

- Entity is engaged in strictly cash business and reports to IRS on cash basis
- Reports when cash is received
- Examples: Supermarkets, restaurants, hair salons

❖ Accrual basis

- Business reports to IRS on accrual or hybrid basis
- Reports when customer is billed/invoiced

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Record Keeping Requirements

- ❖ Records should be kept for a minimum of five years



- ❖ Include:
 - Copies of federal, state and local tax returns and workpapers
 - General ledgers
 - Sales journal
 - Check register
 - Sales invoices
 - Purchase invoices
 - Records as required by deductions



Helpful hints (continued)

- ❖ Set up separate bank accounts
 - Personal
 - Business: One for normal business and one for taxes
- ❖ Returns are considered filed on the date of postmark, so mail it early



Helpful Hints (continued)

- ❖ Moving? Notify the Department of your new address (physical and mailing)
- ❖ If you can't pay, contact us right away
- ❖ Be aware of penalties for late filing and payment
- ❖ Any other questions? **CALL US!!**

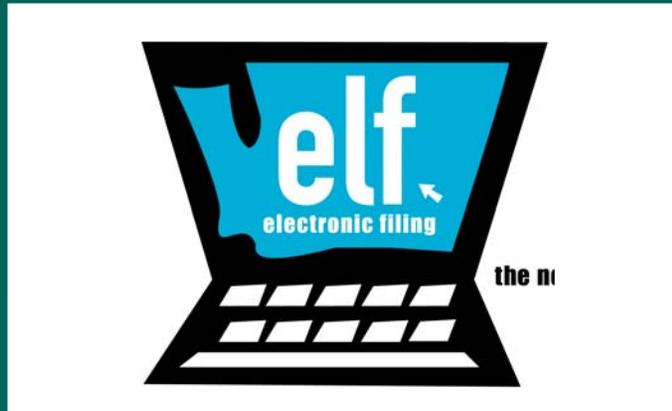


ELF - Electronic Filing

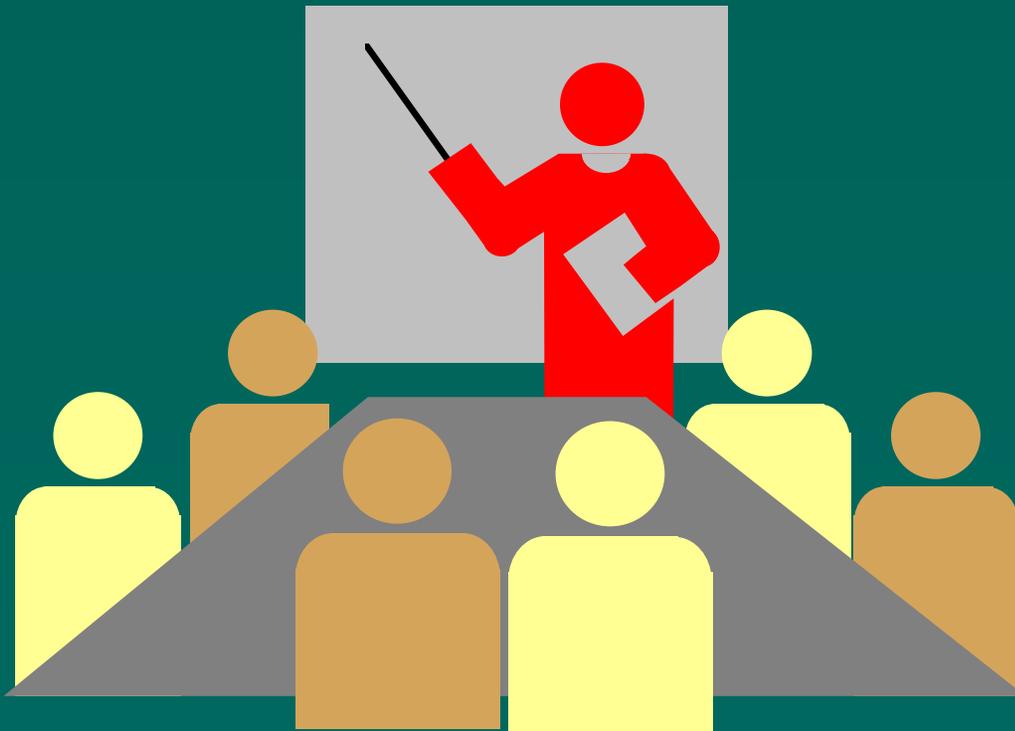
*Now offering filing and paying taxes over
the Internet*

.....

- ❖ Simple
- ❖ Accurate
- ❖ Secure
- ❖ Fast
- ❖ Free
- ❖ More about the program on our web site at <http://dor.wa.gov>



Exercises



Exercise One (top page 1)

Exercise One



MAIL TO: State of Washington
Department of Revenue
PO Box 34061
Seattle, WA 98124-1061

JULY 2002

COMBINED EXCISE TAX RETURN

07
02

ONLY Fill in Box if Amended Return Information Attached

NAME Sam's Janitorial REG NO. 600-600-600
FIRM NAME _____
STREET ADDRESS 1234 Maple Lane
CITY, STATE, ZIP Olympia, WA 98501

Address Changes? business location mailing address both Business closed? Date closed ___/___/___ See note section, pg 2.

Please fill in the appropriate box and note address changes above.

I. STATE BUSINESS AND OCCUPATION TAX

Line No.	Tax Classification	Code	Column 1 Gross Amount	Col. 2 Deductions* Totals from Pg. 3 & 4	Column 3 Taxable Amount	Col. 4 Rate	Column 5 Tax Due	
1	Extracting, Extracting for Hire	16				.00484		
2	Slaughter, Break Proc, Perish Meat/White; Mfg Wheat into Flour; Raw Seafood; Soybean & Canola Proc	30				.00138		
3	Travel Agent/Com/Tour Operators, Int Charter Freight Brokers; Stevedoring	28				.00275		
4	Insurance Agents; Insurance Brokers/Commis	14				.00484		
5	Manuf Fresh Fruit and Veg; Split or Proc Dried Peas; Prescription Drug Warehousing; Mfg Dairy Products	21				.00138		
6	Processing for Hire; Printing and Publishing	10				.00484		
7	Manufacturing	07				.00484		
8	Royalties; Child Care	90				.00484		
9	Wholesaling	03				.00484		
10	Warehousing; Radio & TV Broadcasting; Public Road Construction; Government Contracting	11				.00484		
11	Public or Nonprofit Hospitals	55				.015		
12	Cleanup of Radioactive Waste for US Govt; Environmental Remedial Action	83				.00471		
13	Service & Other Activities	04	10,000 00		10,000 00	.015	150 00	
14	Retailing of Interstate Transportation Equip	19				.00484		
15	Retailing	02				.00471		
							TOTAL B&O TAX	150 00

GROSS AMOUNTS FOR RETAILING AND

* Deductions taken but not itemized on pages 3 and 4 will be disallowed.

TOTAL B&O TAX

Exercise One (bottom page 1)

GROSS AMOUNTS FOR RETAILING AND RETAIL SALES MUST BE THE SAME * Deductions taken but not itemized on pages 3 and 4 will be disallowed. **TOTAL B&O TAX** 150 00

II STATE SALES AND USE TAX

16	Retail Sales (also complete local tax section II)	01			.665
17	Use Tax/Deferred Sales Tax (also complete local tax section III)	05			.665

Value of articles used by taxpayer as a consumer on which no Washington sales tax has been paid

TOTAL STATE SALES & USE TAX

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.
18				
19				
20				
21				
22				
TOTAL TAXABLE			TOTAL	

Local Use Tax/Deferred Sales Tax (Enter applicable rate of tax) Code 46
Total Value of Articles must be the same as line 17, column 1, Gross Amount

Line No.	Location Code	Value of Articles	Local Rate	Tax Due City or Co.
23				
24				
25				
TOTAL VALUE OF ARTICLES			TOTAL	

Line No.	Tax Classification	Code	Taxable Amount	Rate	Tax Due
26	Region Transit Authority (RTA)	59		.034	
27	King County Food & Bev	90		.095	
28	Litter Tax	36		.00015	

AUGUST 2002 25

S	M	T	W	T
4	5	6	7	8
11	12	13	14	15
18	19	20	21	22
25	26	27	28	29
31				

★ 5% Penalty Assessed After August 26, 2002
10% Penalty Assessed After September 30, 2002
20% Penalty Assessed After October 31, 2002
If the due date falls on a weekend or legal holiday, the due date is extended to the next business day.

▶ Please fill in this box if you had no business activity. (see note section, pg. 2)
▶ This return must be mailed, unless filed electronically.
▶ Please make check or money order payable to the Washington State Department of Revenue. Do not send cash or coins.
▶ For assistance, call (800) 647-7705.
▶ Signature Sam Jones
▶ Ph. (360) 622-0500 Date 8/5/02

Line No.	Item	VIII TOTALS
29	Total All Tax Due from page 1	150 00
30	Total All Tax Due from page 2	
31	Rental Car Tax (attach Rental Car Tax Addendum)	
32	Subtotal (add lines 29-31)	150 00
33	Credit (from page 2, section VII, total credit)	
34	Subtotal (subtract line 33 from line 32)	150 00
35	Add Penalty, if applicable ★ <small>Minimum \$5.00</small>	
36	Interest	
TOTAL AMOUNT OWED (add lines 34 - 36)		150 00

402406070201 (8-21-02) ★ Penalty waiver request? Attach and fill in box. (see note section, pg 2) 1

Exercise Two (top page 1)



MAIL TO: State of Washington
Department of Revenue
PO Box 34061
Seattle, WA 98124-1051

JULY 2002

COMBINED EXCISE TAX RETURN

ONLY Fill in Box if Amended Return Information Attached

07
02

Exercise Two

NAME Smith, Joe REG NO. 600-600-600
FIRM NAME Joe's Accounting
STREET ADDRESS 123 A Street
CITY, STATE, ZIP Orting, WA 98360

Address Changes? business location mailing address both Business closed? Date closed ___/___/___ See note section, pg 2.

Please fill in the appropriate box and note address changes above.

I STATE BUSINESS AND OCCUPATION TAX

Line No.	Tax Classification	Code	Column 1 Gross Amount	Col. 2 Deductions* Totals from Pg. 3 & 4	Column 3 Taxable Amount	Col. 4 Rate	Column 5 Tax Due
1	Extracting, Extracting for Hire	16				.00484	
2	Slaughter, Break Proc, Partial Meat-Wholesale; Mtg/Wheat into Flour; Raw Seafood, Soybean & Canola Proc	30				.00138	
3	Travel Agent/Car/Truck Operators; Int'l Charter Freight Brokers; Sawedoring	28				.00275	
4	Insurance Agents; Insurance Brokers Commis	14				.00484	
5	Manuf Fresh Fruit and Veg; Split or Proc Dried Peas, Prescription Drug Warehousing; Mtg Dairy Products	21				.00138	
6	Processing for Hire; Printing and Publishing	10				.00484	
7	Manufacturing	07				.00484	
8	Royalties; Child Care	80				.00484	
9	Wholesaling	03				.00484	
10	Warehousing; Radio & TV Broadcasting; Public Road Construction; Government Contracting	11				.00484	
11	Public or Nonprofit Hospitals	55				.015	
12	Cleanup of Radioactive Waste for US Gov't; Environmental Remediation	83				.00471	
13	Service & Other Activities	04	4,000 00		4,000 00	.015	60 00
14	Retailing of Interstate Transportation Equip	19				.00484	
15	Retailing	02	500 00	500 00	-0-	.00471	
						TOTAL B&O TAX	60 00

GROSS AMOUNTS FOR RETAILING AND RETAIL SALES MUST BE THE SAME

* Deductions taken but not itemized on pages 3 and 4 will be disallowed.

II STATE SALES AND USE TAX

Exercise Two (bottom page 1)

GROSS AMOUNTS FOR RETAILING AND RETAIL SALES MUST BE THE SAME * Deductions taken but not itemized on pages 3 and 4 will be disallowed. **TOTAL B&O TAX** 60 00

II STATE SALES AND USE TAX

16	Retail Sales (also complete local tax section III)	01	500 00	500 00	.055	32 50
17	Use Tax/Deferred Sales Tax (also complete local tax section III)	05			.065	

Value of articles used by taxpayer as a consumer on which no Washington sales tax has been paid

TOTAL STATE SALES & USE TAX 32 50

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.
18	2710	500 00	.019	9 50
19				
20				
21				
22				
TOTAL TAXABLE		500 00		9 50

Local Use Tax/Deferred Sales Tax (Enter applicable rate of tax) Code 46
Total Value of Articles must be the same as line 17, column 1, Gross Amount

Line No.	Location Code	Value of Articles	Local Rate	Tax Due City or Co.
23				
24				
25				
TOTAL VALUE OF ARTICLES				

Line No.	Tax Classification	Code	Taxable Amount	Rate	Tax Due
26	Region Transit Authority (RTA)	89	500 00	.004	2 00
27	King County Food & Bev	90		.005	
28	Litter Tax	36		.00015	

AUGUST 2002 25 **DUE DATE: AUGUST 25, 2002**

★ 5% Penalty Assessed After August 26, 2002
10% Penalty Assessed After September 30, 2002
20% Penalty Assessed After October 31, 2002
If the due date falls on a weekend or legal holiday, the due date is extended to the next business day.

- ▶ Please fill in this box if you had no business activity. (see note section, pg. 2)
- ▶ This return must be mailed, unless filed electronically.
- ▶ Please make check or money order payable to the Washington State Department of Revenue. Do not send cash or coins.
- ▶ For assistance, call (800) 647-7706.
- ▶ Signature Joe Smith
- ▶ Ph. (253) 277-0000 Date 8/5/02

Line No.	Item	VIII TOTALS
29	Total All Tax Due from page 1	104 00
30	Total All Tax Due from page 2	
31	Rental Car Tax (attach Rental Car Tax Addendum)	
32	Subtotal (add lines 29-31)	104 00
33	Credit (from page 2, section VII, total credit)	15 00
34	Subtotal (subtract line 33 from line 32)	89 00
35	Add Penalty, if applicable *	
36	Interest	
TOTAL AMOUNT OWED (add lines 34 - 36)		89 00

402406070201 (5-21-02) ★ Penalty waiver request? Attach and fill in box. (see note section, pg 2) 1

Exercise Two (bottom page 2)

PLEASE NOTE:

If you do not have deductions, do not return pages 3 and 4.
 If you have deductions, complete and return pages 3 and 4.

NEED HELP?

Internet Assistance – Go to DOR's home page at <http://dor.wa.gov>

- Click on **FORMS** to access forms including the Local City and/or County Sales and Use Tax Supplement, and other tax-related forms.
- Under **Tax Topics**, click on **BUSINESS** for answers to frequently asked questions and business closure information. Under **PUBLICATIONS**, the **Business Tax Guide** link provides tax return information and instructions, and the **Filing Your Tax Return** link provides penalty waiver information.
- To update your account information or to close your account with the Department of Revenue, click on **DOR SERVICES**, then **Business Information Update**.

Telephone Assistance

- Call the Department of Revenue office nearest you or (800) 647-7706.
- To file a No Business Activity return by telephone, call (800) 647-7706. Enter code 111 and follow these steps: 1) Enter your 9-digit registration number; 2) Verify the number entered; 3) Enter 3; 4) Respond to pre-recorded questions to file your return over the telephone. Do not mail paper return back to the department.
- For penalty waiver criteria information, call (800) 334-8969 and enter code 429.
- For business closure information, call (800) 334-8969 and enter code 430.

For tax assistance, visit <http://dor.wa.gov> or call (800) 647-7706.
 To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 486-2342.
 Teletype (TTY) users may call (800) 451-7985.

TOTAL OTHER TAXES

(Add lines 52-59)

VII CREDITS

Line No.	Credit Classification	Credit I.D.	Amount
60	Multiple Activities Tax Credit (attach Schedule C)	800	
61	High Technology Credit (attach Research & Development Credit Affidavit)	830	
62	Manufacturing Software; Programming Rural Employment B&O Credit	860	
63	Help Desk Services B&O Credit	865	
64	Alternatives to Field Burning B&O Credit	875	
65	International Services Credit	855	
66	Small Business B&O Tax Credit (see table enclosed)	815	15 00
67	Electric Utility Rural Economic Development Revolving Fund Public Utility Tax Credit	870	
68	Bad Debt Tax Credit (attach Schedule B)	801	
69	Hazardous Substance	805	
70	Public Utility Tax Credit for Billing Discounts/Qualified Contributions to a Low Income Home Energy Assistance Fund	880	
71	Other Credits (attach appropriate documents)	810	
TOTAL CREDIT (transfer to page 1, line 33)			15 00

402406070202

(6-21-02)

Exercise Two (top page 3)



State of Washington
Department of Revenue
PO Box 34051
Seattle, WA 98124-1051

JULY 2002 DEDUCTION DETAIL

07

02

- If you do not have deductions, do not return pages 3 and 4.
- Deductions taken on the Combined Excise Tax Return, but not itemized on this form will be disallowed.
- Report deductions under the heading that corresponds to your reporting activity.
- Transfer the total amount of each deduction from this form to the corresponding tax classification on your return in the deduction column.

If Completing, Fill out Name, Registration Number and Attach to Combined Excise Tax Return.

Name Joe's Accounting

Registration No. 600 - 600 - 600

Line 1 - Extracting, Extracting for Hire	I.D.	Amount
Bad Debts	1601	
Cash & Trade Discounts	1602	
Other (Explain):	1699	
TOTAL		
Line 2 - Slaughter, Break Processing...	I.D.	Amount
Bad Debts	3001	
Cash & Trade Discounts	3002	
Other (Explain):	3099	
TOTAL		
Line 3 - Travel Agent Com; Intl Charter...	I.D.	Amount
Bad Debts	2801	
Cash & Trade Discounts	2802	
Other (Explain):	2899	
TOTAL		
Line 4 - Insurance Agents; Insurance...	I.D.	Amount
Bad Debts	1401	
Other (Explain):	1499	
TOTAL		
Line 5 - Manufacturing Fresh Fruits and...	I.D.	Amount
Bad Debts	2101	

Line 9 - Wholesaling	I.D.	Amount
Bad Debts	0301	
Cash & Trade Discounts	0302	
Interstate & Foreign Sales	0304	
Motor Vehicle Fuel Tax	0305	
Casual Sales; Accommodation Sales	0306	
Advances Reimbursements; Rtrns & Allowances	0307	
No Local Activity	0308	
Other (Explain):	0399	
TOTAL		
Line 10 - Warehousing; Radio & TV...	I.D.	Amount
Bad Debts	1101	
Cash & Trade Discounts	1102	
Interstate & Foreign Sales	1104	
Advances Reimbursements; Rtrns & Allowances	1107	
Radio/TV Advertising	1109	
Other (Explain):	1199	
TOTAL		
Line 11 - Public or Nonprofit Hospitals	I.D.	Amount
Bad Debts	5501	
Cash & Trade Discounts	5502	
Advances Reimbursements; Rtrns & Allowances	5507	

Exercise Two (top page 4)



Not all deductions are allowable from both Retailing and Retail Sales Tax.

Line 15 – Retailing (B&O)	I.D.	Amount
Bad Debts	0201	
Cash & Trade Discounts	0202	
Interstate & Foreign Sales	0204	
Motor Vehicle Fuel Tax	0205	
Advances Reimbursements; Rtrns & Allowances	0207	
No Local Activity	0208	
Casual Sales; Accommodation Sales	0213	500 00
Tax in Gross	0214	
Consignment Sales	0215	
Artistic/Cultural Activities	0216	
Presc. Drugs Sold by Pub. Oper/Nonprofit Hospitals	0217	
Other (Explain):	0299	
TOTAL		500 00
Line 16 - Retail Sales Tax	I.D.	Amount
Bad Debts	0101	
Cash & Trade Discounts	0102	
Interstate & Foreign Sales	0104	

Line 47 – Power	I.D.	Amount
Bad Debts	4901	
Cash & Trade Discounts	4902	
Interstate & Foreign Sales	4904	
Amounts Paid to Another for Services Jointly Provided	4939	
Amounts Expend. to Improve Consumer's Efficiency of Energy	4942	
Low Density/Wholesale Power Costs	4947	
Other (Explain):	4999	
TOTAL		
Line 48 - Gas Distribution; Telegraph	I.D.	Amount
Bad Debts	2601	
Cash & Trade Discounts	2602	
Interstate & Foreign Sales	2604	
Amounts Paid to Another for Services Jointly Provided	2639	
Other (Explain):	2699	
TOTAL		
Line 49 - Motor Transportation; Railroad...	I.D.	Amount
Bad Debts	0801	
Cash & Trade Discounts	0802	
Interstate & Foreign Sales	0804	

Exercise Three (top page 1)



MAIL TO: State of Washington
Department of Revenue
PO Box 34051
Seattle, WA 98124-1051

JULY 2002

COMBINED EXCISE TAX RETURN

07
02

ONLY Fill in Box if Amended Return Information Attached

Exercise Three

NAME Smith, Jane REG NO. 600-000-600
 FIRM NAME Smith's Landscaping
 STREET ADDRESS 456 State Street
 CITY, STATE, ZIP Tacoma, WA 98444

Address Changes? business location mailing address both Business closed? Date closed ___/___/___ See note section, pg 2.

Please fill in the appropriate box and note address changes above.

I. STATE BUSINESS AND OCCUPATION TAX

Line No.	Tax Classification	Code	Column 1 Gross Amount	Col. 2 Deductions* Totals from Pg. 3 & 4	Column 3 Taxable Amount	Col. 4 Rate	Column 5 Tax Due
1	Extracting, Extracting for Hire	16				.00434	
2	Slaughter, Break Proc, Perish Meat, Whole, Mfg Wheat into Flour, Raw Seafood, Soybean & Canola Proc	30				.00138	
3	Travel Agent Com/Tour Operators, Int Charter Freight Brokers, Stevedoring	28				.00275	
4	Insurance Agents, Insurance Brokers, Commis	14				.00434	
5	Manuf Fresh Fruit and Veg; Split or Proc Dried Peas, Prescription Drug Warehousing, Mfg Dairy Products	21				.00138	
6	Processing for Hire, Printing and Publishing	10				.00434	
7	Manufacturing	07				.00434	
8	Royalties; Child Care	80				.00434	
9	Wholesaling	03	619 84		619 84	.00434	3 00
10	Warehousing, Radio & TV Broadcasting, Public Road Construction, Government Contracting	11				.00434	
11	Public or Nonprofit Hospitals	55				.015	
12	Cleanup of Radioactive Waste for US Gov't, Environmental Remedial Action	83				.00471	
13	Service & Other Activities	04				.015	
14	Retailing of Interstate Transportation Equip	19				.00434	
15	Retailing	02	9,978 77		9,978 77	.00471	47 00
						TOTAL B&O TAX	50 00

GROSS AMOUNTS FOR RETAILING AND RETAIL SALES MUST BE THE SAME

* Deductions taken but not itemized on pages 3 and 4 will be disallowed.

II. STATE SALES AND USE TAX

Exercise Three (bottom page 1)

GROSS AMOUNTS FOR RETAILING AND RETAIL SALES MUST BE THE SAME * Deductions taken but not itemized on pages 3 and 4 will be disallowed. **TOTAL R&O TAX** 50 00

II STATE SALES AND USE TAX

16	Retail Sales (also complete local tax section III)	01	9,978 77	478 77	9,500 00	.085	617 50	
17	Use Tax/Deferred Sales Tax (also complete local tax section III)	05	300 00			.065	19 50	
							TOTAL STATE SALES & USE TAX	637 00

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.
18	2727	9,500 00	.019	180 50
19				
20				
21				
22				
TOTAL TAXABLE		9,500 00	TOTAL	180 50

Local Use Tax/Deferred Sales Tax (Enter applicable rate of tax) Code 46
Total Value of Articles must be the same as line 17, column 1, Gross Amount

Line No.	Location Code	Value of Articles	Local Rate	Tax Due City or Co.
23	2727	300 00	.019	5 70
24				
25				
TOTAL VALUE OF ARTICLES		300 00	TOTAL	5 70

Line No.	Tax Classification	Code	Taxable Amount	Rate	Tax Due
26	Region Transit Authority (RTA)	89	9,800 00	.004	39 20
27	King County Food & Bev	90		.005	
28	Litter Tax	36		.00015	

AUGUST 2002 **25** **DUE DATE: AUGUST 25, 2002**

* 5% Penalty Assessed After August 26, 2002
10% Penalty Assessed After September 30, 2002
20% Penalty Assessed After October 31, 2002
If the due date falls on a weekend or legal holiday, the due date is extended to the next business day.

- Please fill in this box if you had no business activity. (see note section, pg. 2)
- This return must be mailed, unless filed electronically.
- Please make check or money order payable to the Washington State Department of Revenue. Do not send cash or coins.
- For assistance, call (800) 647-7706
- Signature Jane Smith
- Ph. (253) 622-0000 Date 8/5/02

Line No.	Item	VIII TOTALS
29	Total All Tax Due from page 1	912 40
30	Total All Tax Due from page 2	
31	Rental Car Tax (attach Rental Car Tax Addendum)	
32	Subtotal (add lines 29-31)	912 40
33	Credit (from page 2, section VII, total credit)	25 00
34	Subtotal (subtract line 33 from line 32)	887 40
35	Add Penalty, if applicable *	
36	Interest	
TOTAL AMOUNT OWED (add lines 34 - 36)		887 40

402406070201 (6-21-02) *Penalty waiver request? Attach and fill in box. (see note section, pg 2) 1

Exercise Three (bottom page 2)

PLEASE NOTE:

If you do not have deductions, do not return pages 3 and 4.
 If you have deductions, complete and return pages 3 and 4.

NEED HELP?

Internet Assistance – Go to DOR's home page at <http://dor.wa.gov>

- Click on FORMS to access forms including the Local City and/or County Sales and Use Tax Supplement, and other tax-related forms.
- Under Tax Topics, click on BUSINESS for answers to frequently asked questions and business closure information. Under PUBLICATIONS, the Business Tax Guide link provides tax return information and instructions, and the Filing Your Tax Return link provides penalty waiver information.
- To update your account information or to close your account with the Department of Revenue, click on DOR SERVICES, then Business Information Update.

Telephone Assistance

- Call the Department of Revenue office nearest you or (800) 647-7706.
- To file a No Business Activity return by telephone, call (800) 647-7706. Enter code 111 and follow these steps: 1) Enter your 9-digit registration number, 2) Verify the number entered, 3) Enter 3, 4) Respond to pre-recorded questions to file your return over the telephone. Do not mail paper return back to the department.
- For penalty waiver criteria information, call (800) 334-8969 and enter code 429.
- For business closure information, call (800) 334-8969 and enter code 430.

For tax assistance, visit <http://dor.wa.gov> or call (800) 647-7706.
 To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 486-2342.
 Teletype (TTY) users may call (800) 451-7985.

TOTAL OTHER TAXES

(Add lines 52-59)

VII CREDITS

Line No.	Credit Classification	Credit I.D.	Amount
60	Multiple Activities Tax Credit (attach Schedule C)	800	
61	High Technology Credit (attach Research & Development Credit Affidavit)	830	
62	Manufacturing Software; Programming Rural Employment B&O Credit	860	
63	Help Desk Services B&O Credit	865	
64	Alternatives to Field Burning B&O Credit	875	
65	International Services Credit	855	
66	Small Business B&O Tax Credit (see table enclosed)	815	25 00
67	Electric Utility Rural Economic Development Revolving Fund Public Utility Tax Credit	870	
68	Bad Debt Tax Credit (attach Schedule B)	801	
69	Hazardous Substance	805	
70	Public Utility Tax Credit for Billing Discounts/Qualified Contributions to a Low Income Home Energy Assistance Fund	880	
71	Other Credits (attach appropriate documents)	810	
TOTAL CREDIT (transfer to page 1, line 33)			25 00

402406070202

(6-21-02)

2

Exercise Three (top page 3)



State of Washington
Department of Revenue
PO Box 34051
Seattle, WA 98124-1051

JULY 2002 DEDUCTION DETAIL

07

02

- If you do not have deductions, do not return pages 3 and 4.
- Deductions taken on the Combined Excise Tax Return, but not itemized on this form will be disallowed.
- Report deductions under the heading that corresponds to your reporting activity.
- Transfer the total amount of each deduction from this form to the corresponding tax classification on your return in the deduction column.

If Completing, Fill out Name, Registration Number and Attach to Combined Excise Tax Return.

Name Smith's Landscaping Registration No. 600 - 600 - 600

Line 1 - Extracting, Extracting for Hire	I.D.	Amount
Bad Debts	1801	
Cash & Trade Discounts	1802	
Other (Explain)	1899	
TOTAL		
Line 2 - Slaughter, Break Processing...	I.D.	Amount
Bad Debts	3001	
Cash & Trade Discounts	3002	
Other (Explain)	3099	
TOTAL		
Line 3 - Travel Agent Com; Intl Charter...	I.D.	Amount
Bad Debts	2801	
Cash & Trade Discounts	2802	
Other (Explain)	2899	

Line 9 - Wholesaling	I.D.	Amount
Bad Debts	0301	
Cash & Trade Discounts	0302	
Interstate & Foreign Sales	0304	
Motor Vehicle Fuel Tax	0305	
Casual Sales, Accommodation Sales	0306	
Advances Reimbursements; Rtrns & Allowances	0307	
No Local Activity	0308	
Other (Explain)	0399	
TOTAL		
Line 10 - Warehousing; Radio & TV...	I.D.	Amount
Bad Debts	1101	
Cash & Trade Discounts	1102	
Interstate & Foreign Sales	1104	
Advances Reimbursements; Rtrns & Allowances	1107	

Exercise Three (bottom page 4)

Newspapers	0125		
Certain Network Telephone Service	0126		
Sales to Indians with Delivery on the Reservation	0128		
Sales of Feed to Fish Farmers	0129		
Taxable Amount for Tax Paid at Source	0130	478	77
Returns & Allowances	0131		
Sales to Nonprofit Organizations of Artistic/Cultural Art Objects for Displays	0132		
Ride-Sharing Vans	0134		
Purebred Livestock for Breeding	0135		
Tax Deferral Investment Certificate No.	0136		
Sale of Manufacturing Mach/Equip; Install Labor	0156		
Direct Pay Permits	0170		
Other (Explain):	0199		
TOTAL		478	77
Line 45 - Water Distribution	I.D.	Amount	
Bad Debts	6001		
Cash & Trade Discounts	6002		
Interstate & Foreign Sales	6004		
Amounts Paid to Another for Services Jointly Provided	6039		
Amounts Received by Nonprofit Water Association for Capital Projects	6040		
Amounts Derived From Distribution of Water Through Irrigation Systems	6041		
Conservation Expenditures	6057		
Redeemed Water	6058		
Other (Explain):	6099		
TOTAL			
Line 46 - Sewer Collection	I.D.	Amount	
Bad Debts	6101		
Cash & Trade Discounts	6102		
Amounts Paid to Another for Services Jointly Provided	6139		
Other (Explain):	6199		
TOTAL			

Amounts Paid to Another for Services Jointly Provided	1239		
Other (Explain):	1299		
TOTAL			
Line 51 - Other Public Service Business	I.D.	Amount	
Bad Debts	1301		
Cash & Trade Discounts	1302		
Interstate & Foreign Sales	1304		
Amounts Paid to Another for Services Jointly Provided	1339		
Other (Explain):	1399		
TOTAL			
Line 52 - Tobacco Products	I.D.	Amount	
Interstate & Foreign Sales	2004		
Sales to U.S. Government	2018		
Returned/Destroyed Goods	2043		
Other (Explain):	2099		
TOTAL			
Line 53 - Refuse Collection	I.D.	Amount	
Bad Debts	6401		
Sales to U.S. Government	6418		
Sales to Other Refuse/Solid Waste Collectors	6445		
Other (Explain):	6499		
TOTAL			
Line 54 - Petroleum Tax	I.D.	Amount	
Petroleum Products Exported Out of State	5746		
Other (Explain):	5799		
TOTAL			
Line 55 - Hazardous Substance	I.D.	Amount	
Other (Explain):	6599		
TOTAL			

402406070204

(6-21-02)

4

Exercise Four (top page 1)

Exercise Four



MAIL TO: State of Washington
Department of Revenue
PO Box 34054
Seattle, WA 98124-1054

APR - MAY - JUN 2002
COMBINED EXCISE TAX RETURN

Q2
02

ONLY Fill in Box if Amended Return Information Attached

NAME _____ REG NO. 600-600-600
FIRM NAME Cindy's Helmet Manufacturing
STREET ADDRESS 1234 Middle Street
CITY, STATE, ZIP Everett, WA 98206

Address Changes? business location mailing address both Business closed? Date closed ___/___/___ See note section, pg 2.

Please fill in the appropriate box and note address changes above.

I STATE BUSINESS AND OCCUPATION TAX

Line No.	Tax Classification	Code	Column 1 Gross Amount	Col. 2 Deductions* Totals from Pg. 3 & 4	Column 3 Taxable Amount	Col. 4 Rate	Column 5 Tax Due
1	Extracting, Extracting for Hire	16				.00484	
2	Slaughter, Break Proc, Perish Meat-Whise, Mfg Wheat into Flour, Raw Seafood, Soybean & Canola Proc	30				.00138	
3	Travel Agent Com/Tour Operators, Int Charter Freight Brokers, Stevedoring	28				.00275	
4	Insurance Agents, Insurance Brokers Commis	14				.00484	
5	Manuf Fresh Fruit and Veg, Split or Proc Dried Pisas, Prescription Drug Warehousing, Mfg Dairy Products	21				.00138	
6	Processing for Hire; Printing and Publishing	10				.00484	
7	Manufacturing	07	40,909 09		40,909 09	.00484	198 00
8	Royalties; Child Care	80				.00484	
9	Wholesaling	03	40,909 09	20,867 77	20,041 32	.00484	97 00
10	Warehousing, Radio & TV Broadcasting, Public Road Construction, Government Contracting	11				.00484	
11	Public or Nonprofit Hospitals	55				.015	
12	Cleanup of Radioactive Waste for US Gov't; Environmental Remedial Action	83				.00471	
13	Service & Other Activities	04				.015	
14	Retailing of Interstate Transportation Equip	19				.00484	
15	Retailing	02				.00471	
							295 00

GROSS AMOUNTS FOR RETAILING AND RETAIL SALES MUST BE THE SAME

* Deductions taken but not itemized on pages 3 and 4 will be disallowed.

TOTAL B&O TAX

II STATE SALES AND USE TAX

Exercise Four (bottom page 1)

GROSS AMOUNTS FOR RETAILING AND RETAIL SALES MUST BE THE SAME * Deductions taken but not itemized on pages 3 and 4 will be disallowed. TOTAL B&O TAX **295 00**

II STATE SALES AND USE TAX

16	Retail Sales (also complete local tax section III)	01						.065		
17	Use Tax/Deferred Sales Tax (also complete local tax section III)	05						.065		

Value of articles used by taxpayer as a consumer on which no Washington sales tax has been paid

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.
18				
19				
20				
21				
22				
TOTAL TAXABLE			TOTAL	

Local Use Tax/Deferred Sales Tax (Enter applicable rate of tax) Code 46
Total Value of Articles must be the same as line 17, column 1, Gross Amount

Line No.	Location Code	Value of Articles	Local Rate	Tax Due City or Co.
23				
24				
25				
TOTAL VALUE OF ARTICLES			TOTAL	

Line No.	Tax Classification	Code	Taxable Amount	Rate	Tax Due
26	Region Transit Authority (RTA)	89		.004	
27	King County Food & Bev	90		.005	
28	Litter Tax	36		.00015	

TOTAL STATE SALES & USE TAX

JULY 2002 DUE DATE: **JULY 31, 2002**

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

31 * 5% Penalty Assessed After July 31, 2002
10% Penalty Assessed After September 3, 2002
20% Penalty Assessed After September 30, 2002
If the due date falls on a weekend or legal holiday, the due date is extended to the next business day.

- Please fill in this box if you had no business activity. (see note section, page 2)
- This return must be mailed, unless filed electronically.
- Please make check or money order payable to the Washington State Department of Revenue. Do not send cash or coins.
- For assistance, call (800) 647-7705
- Signature: *Julie Jones*
- Ph. (425) 622-0000 Date 7/5/02

Line No.	Item	VIII TOTALS
29	Total All Tax Due from page 1	295 00
30	Total All Tax Due from page 2	
31	Rental Car Tax (attach Rental Car Tax Addendum)	
32	Subtotal (add lines 29-31)	295 00
33	Credit (from page 2, section VII, total credit)	112 00
34	Subtotal (subtract line 33 from line 32)	183 00
35	Add Penalty, if applicable *	
36	Interest	
TOTAL AMOUNT OWED (add lines 34 - 36)		183 00

REV 40 2406 Q2/02 (5-06-02) ★ if you qualify, attach penalty waiver request and fill in box. (see note section, page 2) 1

Exercise Four (bottom page 2)

PLEASE NOTE:

If you do not have deductions, do not return pages 3 and 4.
If you have deductions, complete and return pages 3 and 4.

NEED HELP?

Internet Assistance – Go to DOR's home page at <http://dor.wa.gov>

- Click on **FORMS** to access forms including the Local City and/or County Sales and Use Tax Supplement, and other tax-related forms.
- Under **Tax Topics**, click on **BUSINESS** for answers to frequently asked questions and business closure information. The **Business Tax Guide** link provides tax return information and instructions, and the **Filing Your Tax Return** link provides penalty waiver information.
- To update your account information or to close your account with the Department of Revenue, click on **DOR SERVICES**, then **Business Information Update**.

Telephone Assistance

- Call the Department of Revenue office nearest you or (800) 647-7706.
- To file a No Business Activity return by telephone, call (800) 647-7706. Enter code 111 and follow these steps: 1) Enter your 9-digit registration number; 2) Verify the number entered; 3) Enter 3; 4) Respond to pre-recorded questions to file your return over the telephone. Do not mail paper return back to the department.
- For penalty waiver criteria information, call (800) 334-8969 and enter code 429.
- For business closure information, call (800) 334-8969 and enter code 430.

For tax assistance, visit <http://dor.wa.gov> or call (800) 647-7706.
To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 486-2342.
Teletype (TTY) users may call (800) 451-7985.

REV 40 2408 Q2/02 (5-08-02)

TOTAL OTHER TAXES
(Add lines 52-59)

VII CREDITS

Line No.	Credit Classification	Credit I.D.	Amount
60	Multiple Activities Tax Credit (attach Schedule C)	800	97 00
61	High Technology Credit (attach Research & Development Credit Affidavit)	830	
62	Manufacturing Software; Programming Rural Employment B&O Credit	860	
63	Help Desk Services B&O Credit	865	
64	Alternatives to Field Burning B&O Credit	875	
65	International Services Credit	855	
66	Small Business B&O Tax Credit (see table enclosed)	815	15 00
67	Electric Utility Rural Economic Development Revolving Fund Public Utility Tax Credit	870	
68	Bad Debt Tax Credit (attach Schedule B)	801	
69	Hazardous Substance	805	
70	Public Utility Tax Credit for Billing Discounts/Qualified Contributions to a Low Income Home Energy Assistance Fund	880	
71	Other Credits (attach appropriate documents)	810	
TOTAL CREDIT (transfer to page 1, line 33)			112 00

Exercise Four (top page 3)



State of Washington
Department of Revenue
PO Box 34054
Seattle, WA 98124-1054

APR - MAY - JUN 2002 DEDUCTION DETAIL

Q2
02

- Deductions taken on the Combined Excise Tax Return, but not itemized on this form will be disallowed.
- Report deductions under the heading that corresponds to your reporting activity.
- Transfer the total amount of each deduction from this form to the corresponding tax classification on your return in the deduction column.

If Completing, Fill out Name, Registration Number and Attach to Combined Excise Tax Return.

Name Cindy's Helmet Manufacturing

Registration No. 600 - 600 - 600

Line 1 - Extracting, Extracting for Hire	I.D.	Amount
Bad Debts	1601	
Cash & Trade Discounts	1602	
Other (Explain):	1699	
TOTAL		
Line 2 - Slaughter, Break Processing...	I.D.	Amount
Bad Debts	3001	
Cash & Trade Discounts	3002	
Other (Explain):	3099	
TOTAL		
Line 3 - Travel Agent Com; Intl Charter...	I.D.	Amount
Bad Debts	2801	
Cash & Trade Discounts	2802	
Other (Explain):	2899	
TOTAL		
Line 4 - Insurance Agents; Insurance...	I.D.	Amount
Bad Debts	1401	
Other (Explain):	1499	
TOTAL		

Line 9 - Wholesaling	I.D.	Amount
Bad Debts	0301	
Cash & Trade Discounts	0302	
Interstate & Foreign Sales	0304	20,867 77
Motor Vehicle Fuel Tax	0305	
Casual Sales; Accommodation Sales	0306	
Advances Reimbursements; Rtns & Allowances	0307	
No Local Activity	0308	
Other (Explain):	0399	
TOTAL		20,867 77
Line 10 - Warehousing; Radio & TV...	I.D.	Amount
Bad Debts	1101	
Cash & Trade Discounts	1102	
Interstate & Foreign Sales	1104	
Advances Reimbursements; Rtns & Allowances	1107	
Radio/TV Advertising	1109	
Other (Explain):	1199	
TOTAL		
Line 11 - Public or Nonprofit Hospitals	I.D.	Amount
Bad Debts	5501	

Exercise Four (top Schedule C)



State of Washington
 Department of Revenue
 Taxpayer Account Admin.
 PO Box 47476
 Olympia WA 98504-7476

STATE OF WASHINGTON MULTIPLE ACTIVITIES TAX CREDIT SCHEDULE C

NAME _____	REG. NO. <u>600-600-600</u>
FIRM NAME <u>Cindy's Helmet Manufacturing</u>	
ATTACHED TO: <u>Quarter 2</u> <u>2002</u>	EXCISE TAX RETURN

INSTRUCTIONS FOR PART I

Use Part I **ONLY** if you have paid taxes to other states with respect to activities also taxable in Washington.

1. Find the Activity (A through E) which applies to your business (more than one activity may apply).
2. Enter in Column 1 the taxable amount pertaining to that activity as reported on the Combined Excise Tax Return.
3. Enter in Column 2 the amount of Washington B & O Tax due on the amount in Column 1.
4. Enter in Column 3 the amount of gross receipts tax paid to other states under the appropriate heading.
5. Enter in Column 4 the lesser of the amounts entered in Columns 2 and 3.
6. Add all amounts in Column 4 and enter in the Subtotal Box.

PART I - EXTERNAL CREDITS "Taxes Paid To Other States"

ACTIVITY WHICH RESULTS IN A TAX CREDIT	Column 1	Column 2	Column 3			Line Code	Column 4 Total Credit
	Taxable Amount	B & O Taxes Paid	Gross Receipts Taxes Paid				
			Other U.S. States	Non-Washington Local Govts.	Foreign Countries and Territories		
A. Sales in Washington of products extracted outside of Washington						67	
B. Sales in Washington of products manufactured outside of Washington						67	
C. Washington manufactured products extracted outside of Washington						67	
D. Washington extracted products sold outside of Washington						68	
E. Washington manufactured products sold outside of Washington							

Exercise Four (bottom Schedule C)

INSTRUCTIONS FOR PART II

Use Part II ONLY if you have reported taxable amounts under two or more Washington B & O tax classifications. Make no entries in the shaded boxes.

- Find the Activity (F, G or H) which applies to your business (more than one activity may apply).
- Enter in Column 1 the taxable amount pertaining to this activity.
- Enter in Column 2 the B & O Tax applicable to this activity under the appropriate heading(s). (Use the appropriate tax rates for your activities as shown on the Combined Excise Tax Return, Column 3).
- For Activity F enter in Column 3 the tax amount listed under Extracting.
- For Activity G combine the amounts entered under wholesaling and retailing and enter the result in Column 3.
- For Activity H combine the amounts entered under wholesaling and retailing. Enter in Column 3 the lesser of the manufacturing or the combined wholesaling and retailing amount.
- Add all amounts in Column 3 and enter in Subtotal Box.

PART II - INTERNAL CREDITS "Taxes Paid To Washington State"

ACTIVITY WHICH RESULTS IN A TAX CREDIT	Column 1	Column 2				Column 3
	Taxable Amount	Business And Occupation Tax Reported				Total Credit
		Extracting	Manufacturing	Wholesaling	Retailing	Line Code
F. Washington extracted products manufactured in Washington						16
G. Washington extracted products sold in Washington						16
H. Washington manufactured products sold in Washington	20,041.32		97.00	97.00		07
Multiple Activities Tax Credit Subtotal of taxes paid to Washington State.						97.00
Enter the total credits from Part I and Part II in this box and transfer the amount to the Multiple Activities Tax Credit line on the Combined Excise Tax Return						Credit ID 800
						97.00

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 753-3217. Teletype (TTY) users please call (800) 451-7985.

REV 40 0014 (7-16-96)

Exercise Five (top page 1)

MAIL TO: State of Washington
Department of Revenue
PO Box 34551
Seattle, WA 98124-1051

JULY 2002

REVENUE

COMBINED EXCISE TAX RETURN

ONLY Fill in Box if Amended Return Information Attached

07

02

Exercise Five

NAME Doe, Jim REG NO 600-600-600
 FIRM NAME Jim's Construction
 STREET ADDRESS 123 B Street
 CITY, STATE, ZIP Lacey, WA 98503

Address Changes? business location mailing address both Business closed? Date closed ___/___/___ See note section, pg 2.

Please fill in the appropriate box and note address changes above.

I STATE BUSINESS AND OCCUPATION TAX							
Line No.	Tax Classification	Code	Column 1 Gross Amount	Col. 2 Deductions* Totals from Pg. 3 & 4	Column 3 Taxable Amount	Col. 4 Rate	Column 5 Tax Due
1	Extracting, Extracting for Hire	15				00484	
2	Slaughter, Break Proc., Perish Meas-Whisk, Mfg Wheat into Flour, Raw Seafood, Soybean & Canola Proc	30				00138	
3	Travel Agent Com/ Tour Operators, Int'l Charter Freight Brokers, Stevedoring	28				00275	
4	Insurance Agents; Insurance Brokers Commis	14				00484	
5	Manuf Fresh Fruit and Veg; Split or Proc Dried Peas; Prescription Drug Warehousing, Mfg Dairy Products	21				00138	
6	Processing for Hire; Printing and Publishing	10				00484	
7	Manufacturing	07				00484	
8	Royalties; Child Care	80				00484	
9	Wholesaling	03	2,000 00		2,000 00	00484	9 68
10	Warehousing; Radio & TV Broadcasting; Public Road Construction; Government Contracting	11				00484	
11	Public or Nonprofit Hospitals	55				.015	
12	Cleanup of Radioactive Waste for US Gov't; Environmental Remedial Action	83				00471	
13	Service & Other Activities	04				.015	
14	Retailing of Interstate Transportation Equip	19				00484	
15	Retailing	02	20,000 00		20,000 00	00471	94 30
						TOTAL B&O TAX	103 98

GROSS AMOUNTS FOR RETAILING AND RETAIL SALES MUST BE THE SAME * Deductions taken but not itemized on pages 3 and 4 will be disallowed.

II STATE SALES AND USE TAX

Exercise 5 (bottom page 1)

GROSS AMOUNTS FOR RETAILING AND RETAIL SALES MUST BE THE SAME * Deductions taken but not itemized on pages 3 and 4 will be disallowed. TOTAL B&O TAX 103 88

II STATE SALES AND USE TAX

16	Retail Sales (also complete local tax section III)	01	20,000 00	400 00	19,600 00	.005	1,274 00	
17	Use Tax/Deferred Sales Tax (also complete local tax section III)	05	15,000 00			.005	975 00	
							TOTAL STATE SALES & USE TAX	2,249 00

Value of articles used by taxpayer as a consumer on which no Washington sales tax has been paid

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.
18	1700	19,600 00	.019	372 40
19				
20				
21				
22				
TOTAL TAXABLE		19,600 00		372 40

Local Use Tax/Deferred Sales Tax (Enter applicable rate of tax) Code 46

Total Value of Articles must be the same as line 17, column 1, Gross Amount

Line No.	Location Code	Value of Articles	Local Rate	Tax Due City or Co.
23	2717	15,000 00	.019	285 00
24				
25				
TOTAL VALUE OF ARTICLES		15,000 00		285 00

Line No.	Tax Classification	Code	Taxable Amount	Rate	Tax Due
26	Region Transit Authority (RTA)	89	34,600 00	.004	138 40
27	King County Food & Bev	90		.005	
28	Litter Tax	36		.00015	

AUGUST 2002

1	2	3	4	5	6	7	8	9	10
11	12	13	14	15	16	17	18	19	20
21	22	23	24	25	26	27	28	29	30
31									

25

DUE DATE: AUGUST 25, 2002

★ 5% Penalty Assessed After August 26, 2002
10% Penalty Assessed After September 30, 2002
20% Penalty Assessed After October 31, 2002
if the due date falls on a weekend or legal holiday, the due date is extended to the next business day.

Please fill in this box if you had no business activity. (see note section, pg. 2)

This return must be mailed, unless filed electronically.

Please make check or money order payable to the Washington State Department of Revenue. Do not send cash or coins.

For assistance, call (800) 647-7008.

Signature: Jim Doe

Ph. (360) 753-0000 Date 8/5/02

Line No.	Item	VIII TOTALS
29	Total All Tax Due from page 1	3,148 68
30	Total All Tax Due from page 2	
31	Rental Car Tax (attach Rental Car Tax Addendum)	
32	Subtotal (add lines 29-31)	3,148 68
33	Credit (from page 2, section VII, total credit)	
34	Subtotal (subtract line 33 from line 32)	
35	Add Penalty, if applicable *	3,148 68
36	Interest	
TOTAL AMOUNT OWED (add lines 34-36)		3,148 68

402406070201 (6-21-02) ★Penalty waiver request? Attach and fill in box. (see note section, pg 2) 1

Exercise 5 (top page 3)



State of Washington
Department of Revenue
PO Box 34031
Seattle, WA 98124-1051

JULY 2002 DEDUCTION DETAIL

07
02

- If you do not have deductions, *do not return pages 3 and 4.*
- Deductions taken on the Combined Excise Tax Return, but not itemized on this form will be disallowed.
- Report deductions under the heading that corresponds to your reporting activity.
- Transfer the total amount of each deduction from this form to the corresponding tax classification on your return in the deduction column.

If Completing, Fill out Name, Registration Number and Attach to Combined Excise Tax Return.

▶ Name Jim's Construction

▶ Registration No. 600 - 600 - 600

Line 1 - Extracting, Extracting for Hire	I.D.	Amount
Bad Debts	1801	
Cash & Trade Discounts	1802	
Other (Explain):	1899	
TOTAL		
Line 2 - Slaughter, Break Processing...	I.D.	Amount
Bad Debts	3001	
Cash & Trade Discounts	3002	
Other (Explain):	3099	
TOTAL		
Line 3 - Travel Agent Com; Intl Charter...	I.D.	Amount
Bad Debts	2801	
Cash & Trade Discounts	2802	
Other (Explain):	2899	
TOTAL		
Line 4 - Insurance Agents; Insurance...	I.D.	Amount
Bad Debts	1401	
Other (Explain):	1499	
TOTAL		
Line 5 - Manufacturing Fresh Fruits and...	I.D.	Amount
Bad Debts	2101	
Cash & Trade Discounts	2102	
Freight on Out-of-State Deliveries	2103	
Interstate & Foreign Sales (Use for Prescription Drug Warehousing Only)	2104	

Line 9 - Wholesaling	I.D.	Amount
Bad Debts	0301	
Cash & Trade Discounts	0302	
Interstate & Foreign Sales	0304	
Motor Vehicle Fuel Tax	0305	
Casual Sales; Accommodation Sales	0306	
Advances Reimbursements; Rtrns & Allowances	0307	
No Local Activity	0308	
Other (Explain):	0399	
TOTAL		
Line 10 - Warehousing; Radio & TV...	I.D.	Amount
Bad Debts	1101	
Cash & Trade Discounts	1102	
Interstate & Foreign Sales	1104	
Advances Reimbursements; Rtrns & Allowances	1107	
Radio/TV Advertising	1109	
Other (Explain):	1199	
TOTAL		
Line 11 - Public or Nonprofit Hospitals	I.D.	Amount
Bad Debts	5501	
Cash & Trade Discounts	5502	
Advances Reimbursements; Rtrns & Allowances	5507	
Other (Explain):	5599	
TOTAL		
Line 12 - Cleanup of Radioactive Waste...	I.D.	Amount
Bad Debts	0201	

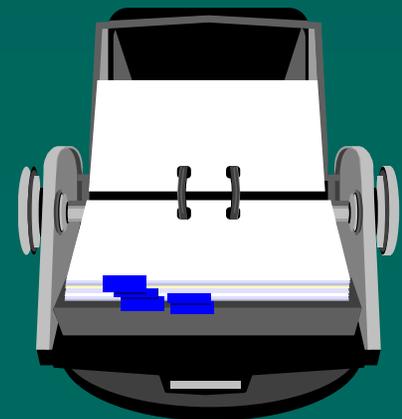
Exercise 5 (middle page 4)

Newspapers	0125		
Certain Network Telephone Service	0126		
Sales to Indians with Delivery on the Reservation	0128		
Sales of Feed to Fish Farmers	0129		
Taxable Amount for Tax Paid at Source	0130	40000	
Returns & Allowances	0131		
Sales to Nonprofit Organizations of Artistic/Cultural Art Objects for Displays	0132		
Ride Sharing Vans	0134		
Purebred Livestock for Breeding	0135		
Tax Deferral/Investment Certificate No. _____	0138		
Sale of Manufacturing Mach/Equip; Install Labor	0156		
Direct Pay Permits	0170		
Other (Explain):	0199		
TOTAL		40000	
Line 45 - Water Distribution	I.D.	Amount	
Bad Debts	6001		
Cash & Trade Discounts	6002		
Interstate & Foreign Sales	6004		
Amounts Paid to Another for Services Jointly Provided	6009		
Amounts Received by Nonprofit Water Association for Capital Projects	6040		
Amounts Derived From Distribution of Water Through Irrigation Systems	6041		
Conservation Expenditures	6067		

Interstate & Foreign Sales	1204		
Amounts Paid to Another for Services Jointly Provided	1239		
Other (Explain):	1299		
TOTAL			
Line 51 - Other Public Service Business	I.D.	Amount	
Bad Debts	1301		
Cash & Trade Discounts	1302		
Interstate & Foreign Sales	1304		
Amounts Paid to Another for Services Jointly Provided	1339		
Other (Explain):	1399		
TOTAL			
Line 52 - Tobacco Products	I.D.	Amount	
Interstate & Foreign Sales	2004		
Sales to U.S. Government	2018		
Returned/Destroyed Goods	2043		
Other (Explain):	2099		
TOTAL			
Line 53 - Refuse Collection	I.D.	Amount	
Bad Debts	6401		
Sales to U.S. Government	6418		
Sales to Other Refuse/Solid Waste Collectors	6445		
Other (Explain):	6499		

Additional Assistance

- ❖ 12 Field Office Locations
- ❖ State of Washington
Department of Revenue,
Taxpayer Information and Education Section
PO Box 47478
Olympia, WA 98504-7478
- ❖ **1-800-647-7706**



Web Site *(dorwa.gov)*

- ❖ Overview of Washington taxes
- ❖ Search publications, rules, laws
- ❖ State Business Records Database
- ❖ Unclaimed Property Database
- ❖ Geographic Information System (GIS)
- ❖ Electronic Filing (ELF)
- ❖ Taxpedia





Thank You

Please take a minute to fill out the
course evaluation form.



Thank You
for Coming!!

We appreciate your comments and suggestions!