

MAIL THIS TAX RETURN TO:
 CITY OF SHORELINE, BUDGET &
 TAX PO BOX 84226
 SEATTLE, WA
 98124-5526

City of Shoreline

MULTI-PURPOSE TAX RETURN



For more information regarding the City's response to Covid19, contact: C19BizResponse@shorelinewa.gov

Date Due

Reporting Period

Account #

Business Name/Address:

UBI:

Section 1 Business & Occupation Tax - GROSS RECEIPTS

Line No.	Column 1 Tax Classification	Code No.	Column 2 Gross Receipts	Column 3 Deductions	Column 4 Taxable Receipts	Column 5 Tax Rate	Column 6 Tax Due
1	Wholesaling	02				0.001	
2	Retailing	03				0.001	
3	Retail Services	07				0.001	
4	Service & Other (Not Apportioned)	06				0.002	
5	Service & Other (Apportioned)**	12	Carryover From Schedule A			0.002	
6	Manufacturing/Processing for Hire	01				0.001	
7	Printing/Publishing	04				0.001	
8	Extracting/Extracting for Hire	11				0.001	
9	Less Multiple Activities Tax Credit**	20	Carryover From Schedule C				()
10	Enter Taxable Receipts Sub-Total Here					Sub-Total	

(If annual taxable receipts are less than \$500,000 then no B&O TAX due)

Section 2 Utility Tax & Franchise Fees

11	Telephone	40				0.060	
12	Cellular	41				0.060	
13	Gas	42				0.060	
14	Electricity	43				0.060	
15	Cable TV	44				0.060	
16	Water Franchise Fee	45				0.060	
17	Solid Waste	46				0.060	
18	Sewer	47				0.060	
19	Storm Drainage	48				0.060	
20	Cable Franchise Fee	49				0.050	
21	Utility Tax Sub-Total					Sub-Total	

Section 4 Other Tax

22	Amusement Games	60				0.020	
23	Pull Tabs & Punch Cards (For-Profit)	61				0.050	
24	Bingo/Raffles	62				0.050	
25	Card Games	63				0.100	
26	Pull Tabs & Punch Cards (Non-Profit)	65				0.100	
27	Other Tax Sub-Total					Sub-Total	

Tax Sub-Totals

Penalties - see back

Interest - see back

Total Due

* Additional schedules are required

Name

Title

Phone

Email

I hereby certify that the statements and information provided on this tax return are true and complete to the best of my knowledge.

Signature

Date

Instructions for the Multi-Purpose Tax Return for 2020 Tax Deferral for Eligible Small Businesses

Every person, firm, association or corporation doing business within the City, unless otherwise exempt, is subject to the City Business & Occupation (B&O) tax and must file a tax return. The current B&O tax threshold is \$500,000 of annual taxable Shoreline revenue.

Detailed instructions, tax classifications and allowable deductions are provided in the City of Shoreline B&O Tax Guide or can be found in Chapter 3.22 Business and Occupation Tax and 3.23 Administrative Provisions for Business and Occupation taxes of the Shoreline Municipal Code (SMC). If you have any questions or would like to request a copy of the guide, please contact the City Clerk's Office at (206) 801-2230 or by email at clk@shorelinewa.gov.

For more information, visit our website at shorelinewa.gov/businessoccupationtax

SECTION I: Check any applicable box and provide specific details in the space provided. Enter the WA State Unified Business Identifier (UBI), City Business License Number, and Tax Reporting Period (Quarter/Year).

SECTION II: Determine which business tax classification(s) relates to your business activity (Column 1). Businesses conducting several types of activities may report in more than one tax classification.

Column 2: Enter your company-wide gross receipts on the appropriate tax gross receipts classification line.

Column 3: Enter amounts of any deduction that you are entitled for each tax classification per Schedule C. These deductions include, but are not limited to, cash discounts taken by purchasers, and credit losses or bad debts sustained by sellers.

Column 4: Subtract the values entered in Column 3 from those entered in Column 2, and enter the result in Column 4. If the amount is less than or equal to zero, then enter "0" in Column 4.

Column 6: If the total amount in Column 4 is greater than zero, multiply the tax rate listed in Column 5 for each tax classification by the taxable amount entered in Column 4. Enter the result in Column 6. Add the values entered in Column 6, less any Multiple Activities Tax Credit (MATC) and New Business Tax Credit, and enter the results in line 11.

If the tax return and payment are overdue, calculate the penalty on the total tax due.

Enter the penalty amount by calculating as follows:

0 to 1 month overdue.....9% (\$5 minimum)
1 to 2 months overdue..... 19% (\$5 minimum)
Over 2 months overdue..... 29% (\$5 minimum)

Sign and date your return.

City of Shoreline
Schedule A
SERVICE INCOME APPORTIONMENT DETAIL



Date Due Reporting Period

What is the Service Income Apportionment Detail Form

A worksheet that uses a two-factor formula to determine how income taxable under the city's service and other B&O tax classification is apportioned between multiple locations when a taxpayer is engaging in business in more than one jurisdiction.

Who should complete the apportionment schedule?

Only those taxpayers that earn gross receipts from activities subject to a City's Service and Other gross receipts B&O tax classification, and which have a taxable presence in more than one jurisdiction, need to complete the schedule.

Line #	Section 1: Apportionable Gross Service Receipts	Code	Amount
1	Enter total worldwide gross service receipts	30	
2	Total allowable deductions	31	
3	Apportionable service receipts (subtract line 2 from line 1)		

Line #	Section 2: Payroll Factor*	Code	Amount
4	Enter total City of Shoreline payroll costs	32	
5	Enter total worldwide payroll costs	33	
6	Payroll factor (divide line 4 by line 5)		

Line #	Section 3: Service Income Factor	Code	Amount
7	Enter total City of Shoreline service receipts	34	
8	Enter total worldwide service receipts less any allowable deductions (if any)	35	
9	Service Income Factor (divide line 7 by line 8)		

Line #	Section 4: Shoreline Taxable Service Receipts	Amount
10	Enter apportionment factor (add lines 6 and 9)	
11	Percentage of service income apportioned to Shoreline (divide line 10 by the number 2)*	
12	Shoreline taxable service receipts (multiply line 3 by line 11) <i>enter this amount on this line and Line 4, Column 4 of the Multi-Purpose Tax Return</i>	

House Bill 1403 (2019) changed how cities in Washington state source service receipts by changing the definition of "customer location" in the income factor by moving to a market-based sourcing method. The Bill also changed how the denominator of the income factor is determined by excluding income from the denominator in which some of the apportionable activity is performed in the City and the taxpayer is not taxable in the customer location.

Formula example:

Service income is apportioned to a city by multiplying service income by a payroll factor (based on the payroll within the city), plus the service income factor (based on the income producing activity attributable for tax purposes within the city), divided by two (2).

$$\text{Total Taxable Service Income} \times \frac{(\text{Payroll Factor} + \text{Service Income Factor})}{2}$$

$$\text{Payroll Factor} = \frac{\text{Total Compensation Paid in Shoreline}}{(\text{Total Compensation Paid Worldwide})}$$

$$\text{Service Income Factor} = \frac{\text{Total Shoreline Service Receipts}}{\text{Total Worldwide Service Receipts - excluded income (if any)}}$$

*If a business has no employees in any location, such as a sole proprietorship without any employees, then the payroll factor is zero and the apportionment reverts to a single factor formula using the service factor only. In this case, divide the service Factor by one (1).

Instructions for Schedule A – Service Income Apportionment Detail for Reporting Periods after January 1, 2020

I. Gross Service Receipts

Line 1: Enter the worldwide gross receipts for your business.

Line 2: Enter the amount of allowable deductions under Shoreline Municipal Code (exclude any interstate deduction as this schedule apportions worldwide service income).

Line 3: Subtract line 2 from line 1 and enter this amount on line 3. This is your total apportionable service receipts.

II. Payroll Factor

Line 4:

A.	Total payroll for employee(s) whose assigned office or work station is located within Shoreline.	
B.	Total payroll for employee(s) who are not primarily assigned to any place of business for the tax period and that individual performs 50% or more of their service for the tax period in Shoreline.	
C.	Total payroll for employees(s) not primarily assigned to any place of business for the tax period, and the individual does not perform 50% or more of their service in any city, but that person resides in Shoreline.	
D.	Line 4 – Total Payroll costs in Shoreline – add lines a, b, c and enter on Line 4.	

Line 5: Enter the worldwide payroll costs (the amount in Line 4 plus the payroll for employees in all other locations outside of Shoreline).

Line 6: Divide Line 4 by the amount in Line 5 and enter the calculated amount as a percentage on Line 6. If a business doesn't have employees, then there is no payroll factor. If there are no employees within Shoreline, but there are employees elsewhere, then the payroll factor for Shoreline is zero.

III. Service-Income Factor (Service receipts are in the city if the "customer location" is in the city). "Customer location" means the following:

Line 7:

- 1) For a customer not engaged in business:
 - a) If the service requires the customer to be physically present, where the service is performed.
 - b) If the service does not require the customer to be physically present:
 - i) The customer's residence; or
 - ii) The customer's billing/ mailing address if the customer's residence is not known.
- 2) For a customer engaged in business:
 - a) Where the services are ordered from;
 - b) At the customer's billing/ mailing address if the location from which the services are ordered is not known; or
 - c) At the customer's commercial domicile if none of the above is known.

Line 8: Enter the worldwide gross service receipts less any apportionable gross income in which some of the activity is performed in Shoreline and the taxpayer is "not taxable" in the City or County of the customer location. (If there is no income excluded from the denominator, Line 1 will be the same as Line 8. If there is income excluded from the denominator, Line 8 will be less than Line 1).

"Not taxable" means that the taxpayer is not subject to a business activities tax by that jurisdiction, except that a taxpayer is taxable in a City or County in which it would be deemed to have a substantial nexus under the standards in RCW 35.102.050 regardless of whether or not that City or County imposes a business activities tax.

Line 9: Divide Line 7 by the amount in Line 8 and enter the calculated amount as a percentage on Line 9.

IV. Taxable Service Receipts

Line 10: Add Line 6 and Line 9, and enter the calculated amount on Line 10. This is the total apportionment factor.

Line 11: Divide Line 10 by two (2), if two factors remain. If there is no payroll factor, divide Line 10 by one (1). Enter the calculated amount as a percentage on Line 11.

Line 12: Multiply Line 3 by Line 11 and enter the amount on Line 12. This is your Shoreline taxable service receipts. Also enter this amount on Line 5 (Services & Other Apportioned), Column 4 (Taxable Income) of the Multi-Purpose Tax Return.

City of Shoreline

Schedule C: Multiple Activities Tax Credit Form



Date Due Reporting Period

Section 1: EXTERNAL CREDITS (taxes paid to other local jurisdictions)

Code	Activity which results in a credit	Column 1	Column 2	Column 3	Column 4
		Gross Receipts Tax Paid			
		Taxable Amount	Shoreline	Non-Shoreline	Credit
70	Wholesaling in Shoreline of products extracted, manufactured, or printed outside of Shoreline				
71	Retailing Shoreline of products extracted, manufactured, or printed outside of Shoreline				
72	Manufacturing in Shoreline of products extracted outside of Shoreline				
Multiple Activities Tax Credit: Subtotal of taxes paid to other local jurisdictions					

Section 2: INTERNAL CREDITS (taxes paid to Shoreline)

Code	Activity which results in a credit	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
		Gross Receipts Tax Paid					
		Taxable Amount	Extracting	Manufacturing/ Printing	Wholesaling	Retailing	Credit
73	Manufacturing activities on products extracted in Shoreline				////////////////////	////////////////////	
74	Wholesaling in Shoreline of products extracted in Shoreline			////////////////////		////////////////////	
75	Wholesaling in Shoreline of products manufactured in Shoreline		////////////////////			////////////////////	
76	Wholesaling in Shoreline of products printed in Shoreline		////////////////////			////////////////////	
77	Retailing in Shoreline of products extracted in Shoreline			////////////////////	////////////////////		
78	Retailing in Shoreline of products manufactured in Shoreline		////////////////////		////////////////////		
79	Retailing in Shoreline of products printed in Shoreline		////////////////////		////////////////////		
Multiple Activities Tax Credit: Subtotal of taxes paid to Shoreline							

Total External and Internal Credits from Section 1 and Section 2
(Transfer this amount to the Credit line 9 on the Multi-Purpose Business & Occupation Tax Return)

INSTRUCTIONS

- Section 1: External Credits**
1. Find the activity (70 – 79) that applies to your business (more than one may apply)
 2. Enter in Column 1 the taxable amount (gross less deductions) pertaining to the activity.
 3. Compute the amount of the credit and enter the total amount of the credits from Section 1 and Section 2 into the total credit box.
- Section 2: Internal Credits**
1. Enter in Column 2 the Shoreline B&O tax due on the amount in Column 1 (use tax rate shown on tax return).
 2. Enter in Column 3 the tax paid to another local jurisdiction on the same taxable amounts
 3. Enter in Column 4 the lesser of Columns 2 or 3.

- Section 2: Internal Credits**
1. Enter in Columns 2 – 5 the Shoreline B&O tax due on each of the activities, as applicable.
 2. For activity 73 enter in Column 6 the lesser of the tax amount in Columns 2 or 3.
 3. For activity 74 enter in Column 6 the lesser of the tax amount in Columns 2 or 4.
 4. For activities 75 and 76 enter in Column 6 the lesser of the tax amount in Columns 3 or 4
 5. For activity 77 enter in Column 6 the lesser of the tax amount in Columns 2 or 5
 6. For activities 78 and 79 enter in Column 6 the lesser of the tax amount in Columns 3 or 5
 7. If tax amounts are equal (one is not less than the other) for activities 73 – 79, then enter one of the tax amounts in Column 6.

City of Shoreline
Schedule D
DEDUCTION DETAIL



Date Due Reporting Period

BUSINESS & OCCUPATION TAX

DEDUCTIONS: Wholesale and Retail and Retail Services	Code	Line 1 Wholesaling	Code	Line 2 Retailing	Code	Line 3 Retail Services
Bad Debt	0201		0301		0701	
Cash Discount	0203		0303		0703	
Interstate	0206		0306		0706	
Deliveries outside Shoreline but within WA	0207		0307		0707	
Other	0299		0399		0799	
SUBTOTAL						

DEDUCTIONS: Service & Other and Service & Other Apportioned	Code	Line 4 Service & Other	Code	Line 5 Service & Other (Apportioned)
Bad Debt	0601		1201	
Cash Discount	0603		1203	
Eligible Compensation from Public Entities for Health or Social Welfare Services	0605		1205	
Interest on Obligations of the State, its Political Subdivisions, & Municipal Corporations	0610		1210	
Eligible Fees, Dues, Charges	0611		1211	
Radio & Television Broadcasting-Advertising Agency Fees / National Regional, & Networking Advertising	0612		1212	
Interest on Investment/Loans Secured by First Mortgages or Trust Deeds on Non-transient Residential Properties	0613		1213	
Interest on Loans to Farmers & Ranchers, Producers or Harvesters of Aquatic Products, or their Cooperatives	0614		1214	
Other	0699		1299	
SUBTOTAL				

DEDUCTIONS: Manufacturing, Processing for Hire, Printing/Publishing, Extracting/Extracting for Hire	Code	Line 6 Manufacturing/ Processing for Hire	Code	Line 7 Printing/ Publishing	Code	Line 8 Extracting/ Extracting for Hire
Bad Debt	0101		0401		1101	
Eligible Gross Receipts Tax Paid to Another City	0104		0404		1104	
Other	0199		0499		1199	
SUBTOTAL						

UTILITY TAX

DEDUCTIONS	Code	Line 11 Telephone	Code	Line 12 Cellular
Bad Debt	4001		4101	
Resale	4015		4115	
Qualified Charges to another telecommunication company	4016		4116	
Billing adjustments made as a result of a third party fraud or crime	4017		4117	
Other	4099		4199	
SUBTOTAL				

DEDUCTIONS	Code	Line 13 Gas	Code	Line 14 Electricity	Code	Line 15 Cable TV	Code	Line 16 Water Franchise Fee
Bad Debt	4201		4301		4401		4501	
Other	4299		4399		4499		4599	
SUBTOTAL								

DEDUCTIONS	Code	Line 17 Solid Waste	Code	Line 18 Sewer	Code	Line 19 Storm Drainage	Code	Line 20 Cable Franchise Fee
Bad Debt	4601		4701		4801		4901	
Other	4699		4799		4899		4999	
SUBTOTAL								

OTHER TAXES

Pull Tabs Deduction

The rate of Taxation for Pull Tabs for Non-Profit establishments is 10% of Gross Receipts less the amount rewarded as cash or merchandise prizes.

Card Room Deduction

Card Rooms pay 10% of gross yearly receipts over \$10,000. Must Not Exceed \$10,000.

DEDUCTIONS: Gambling	Code	Line 22 Amusement Games	Code	Line 23 Pull tabs & Punch Cards (For-Profit)	Code	Line 24 Bingo/ Raffles	Code	Line 25 Card Games
Bad Debt	6018		6118		6218		6318	
Other	6099		6199		6299		6399	
SUBTOTAL								

DEDUCTIONS: Gambling	Code	Line 26 Pull tabs & Punch Cards (Non-Profit)
Other	6599	
SUBTOTAL		