

# City of Shoreline Tax Form Instructions

**GENERAL INFORMATION:** Every person, firm, association, or corporation engaging in business activities in the City, unless otherwise exempted, is subject to taxation and must file a tax return under the appropriate tax classification(s). The City of Shoreline administers business & occupation (gross receipts), utility, and gambling taxes.

Descriptions of the various tax classifications and allowable deductions are provided in Title 3 of the Shoreline Municipal Code (SMC).

**GROSS RECEIPTS B&O TAX:** The gross receipts B&O tax is measured on gross proceeds of sales or gross income for the reporting period. For purposes of the gross receipts tax, business activities are reported by classification.

**UTILITY TAX:** This tax is similar to the gross receipts tax, but it is imposed on utility businesses. Businesses engaging in the following activities are subject to these taxes: telephone/cellular, natural gas, cable TV, solid waste, and sewer.

**GAMBLING TAX:** All persons licensed by the Washington State Gambling Commission to conduct gambling activities in the City are required to pay gambling taxes. Gambling activities include: bingo games, raffles, amusement games, punchboards, and pull-tabs.

**CALCULATING YOUR TAX LIABILITY:** If you claim a deduction, a Multiple Activities Tax Credit, and/or you apportion income that is taxable under the Service and Other gross receipts tax classification, you must include the appropriate schedule form with your return. If a required form is not provided, the deduction, credit, or apportioned amounts will be denied. Forms are available on [shorelinewa.gov/businessstax](http://shorelinewa.gov/businessstax)

**SECTION 1:** If your business generates gross receipts, determine which tax classification(s) relate to your business activity (Column 1). Businesses conducting several types of activities may report in more than one tax classification.

- Column 2: Enter your gross receipts on the appropriate tax classification line.
- Column 3: Enter amounts of any deduction that you are entitled to for each tax classification. Itemize deductions in the deduction section directly below section 1. Deductions not itemized will be disallowed.
- Column 4: Subtract the values entered in Column 3 from those entered in Column 2, and enter the result. Subtotal the Taxable Receipts amounts and enter on Line 9.
- Column 6: If the taxable receipts subtotal amount Line 9 in Column 4 is less than the taxable threshold (\$500,000), enter "0" on Line 9 in Column 6. If the taxable receipts subtotal amount is greater than the taxable threshold, multiply each line item in Column 4 by the tax rate listed in Column 5. Enter the results for each line in Column 6.

**SECTIONS 2 and 3:** Complete Sections 2 and 3 if your business generates gross receipts on utility or gambling activities. Determine which tax classification(s) relate to your business activity. Businesses conducting several types of activities may report in more than one tax classification.

- Column 2: Enter your gross receipts under the appropriate tax classification.
- Column 3: Complete & submit Schedule D (Deduction Detail) with your return if you have any allowable deductions. Enter amounts of any deduction that you are entitled for each tax classification.
- Column 4: Subtract the values entered in Column 3 from those entered in Column 2, and enter the results.
- Column 6: Multiply the amount in Column 4 by the tax rate listed in Column 5 and enter the result in Column 6.

**TAX SUBTOTALS:** Calculate and enter Tax Subtotals from Sections 1 (B&O Tax), 2 (Utility Tax), and 3 (Other taxes) in the field provided beside Tax Subtotals.

**TAX PENALTIES:** Calculate the penalty on the amount reported in the TAX SUBTOTALS and enter the penalty amount in the field provided. Penalties are calculated as follows:

- If not paid by the due date the penalty is 9% (\$5 minimum)
- If not paid on or before the last day of the month following the due date, the penalty is 19% (\$5 minimum)
- If not paid on or before the last day of the 2nd month following the due date, the penalty is 29% (\$5 minimum).

**INTEREST:** Calculate interest in accordance with SMC 3.23.090 and enter the amount in the field provided. Annual interest rate for 2022 is 2% and 2023 is 3%. Contact the Shoreline Business Tax Division at [businessoutreach@shorelinewa.gov](mailto:businessoutreach@shorelinewa.gov) for assistance.

**TOTAL DUE:** Add Total Tax Subtotal, Tax Penalty, and Interest and enter the result in the field provided on line 25. Print name, title, phone, email, sign and date your return, and remit back with the appropriate forms and payment.

**REPORTING FREQUENCY:** For quarterly and monthly tax returns, tax payments are due on or before the last day of the month following the end of the reporting period covered by the return. For annual tax returns, tax payments are due on or before April 30th of the year immediately following the end of the period covered by the return.

**Tax returns must be filed by the due date whether or not any tax is owed.**

Reporting Frequency	Period Ending Date	Months Covered in Period
Monthly	Each Month's End	
Quarterly	3/31/20xx	January, February, March
	6/30/20xx	April, May, June
	9/30/20xx	July, August, September
	12/31/20xx	October, November, December
Annual	12/31/20xx	January through December