



CITY OF TUKWILA
BUSINESS AND OCCUPATION (B&O) TAX RETURN

2024

MAIL TAX RETURNS TO:

City of Tukwila
 Finance Department
 6200 Southcenter Blvd.
 Tukwila, WA 98188-2544

Washington UBI Number	City of Tukwila Account Number	Tax Reporting Period (Quarter/Year)	Due Date

Make checks payable to the City of Tukwila

Business Changes (check all applicable boxes)

These fields are for informational purposes only. You must update your business license at dor.wa.gov.

- Mailing Address Changed - enter new address on the right
- Tukwila Business Address Changed - enter new address on the right
- Business closed, sold, or no longer subject to tax in Tukwila. Effective date: _____

Legal Entity Name: _____

Trade Name (DBA): _____

Mailing Address: _____

City, State, Zip: _____

Tukwila Business Address: _____

Leave this line blank if no physical business location in Tukwila

Line No.	Column 1 Tax Classification	Column 2 Gross Amount	Column 3 Less Deductions from Schedule B	Column 4 Taxable Amount	Column 5 Tax Rate	Column 6 Tax Due
1	Retailing				0.0005	
2	Retail Service				0.0005	
3	Wholesaling				0.00085	
4	Manufacturing				0.00085	
5	Extracting				0.00085	
6	Printing or Publishing				0.00085	
7	Processing for Hire or Extracting for Hire				0.00085	
8	Service and Other Activities				0.00085	
9	Service and Other Activities (Apportioned)	Attach Schedule A → → →			0.00085	
10	Total Taxable Amount and Subtotal Tax Due* (add lines 1 thru 9**)					
11	Less Multiple Activities Tax Credit (Attach Schedule C)					
12	Total Tax Due					

Name: _____

Title: _____

Phone No.: _____ Date: _____

Email: _____

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

Signature: _____

Total Amount Due	
*No payment is due if the total taxable amount for the calendar year is \$750,000 or less.	
Total Tax Due (Line 12)	
Penalty (see instructions)	
Interest (see instructions)	
Total Payment Due	

General Instructions for the City of Tukwila Business and Occupation Tax Return

GENERAL INFORMATION: Descriptions of the various tax classifications, deductions, and administrative provisions are provided in Tukwila Municipal Code (TMC) Chapters 3.26 and 3.27. Please visit us at tukwilawa.gov/citytaxes for more information, including a "Guide to Tukwila's B&O Tax." For assistance, you may reach us at 206-433-1835 ext. 3.

DUE DATES: B&O tax returns are generally due in quarterly installments by the last day of the month following the end of the calendar quarter. Alternatively, an annual filing frequency may be assigned upon approval by or at the discretion of the city. If the ordinary due date falls on a weekend or city holiday, then it becomes due the next business day.

<u>Reporting Period</u>	<u>Tax Period</u>	<u>Due Date</u>
Quarter 1	January, February, March	April 30
Quarter 2	April, May, June	July 31
Quarter 3	July, August, September	October 31
Quarter 4	October, November, December	January 31
Annual	January through December	April 30

<u>Late Return Penalty & Interest</u>
9% - first day after due date
19% - one month after due date
29% - two months after due date
<i>Daily interest on late payments: Tax due x days late x (rate/365) The annual rate for 2024 is 6%.</i>

INSTRUCTIONS: The tax classification that applies depends on the type of business activity engaged in. Businesses conducting several types of activities may need to report in more than one tax classification.

Line 1 through Line 8:

- Column 2: Enter the gross income of the business, gross proceeds of sales, and value of products manufactured or extracted in Tukwila.
- Column 3: Enter applicable deductions as allowed by TMC 3.26.100. **Deductions must be itemized on Schedule B.** Deductions that are not itemized on Schedule B will be disallowed.
- Column 4: Subtract the amount in Column 3 from the amount in Column 2.
- Column 6: Multiply the amount in Column 4 by the tax rate in Column 5.

Line 9: This generally applies to persons who engage in business inside and outside of Tukwila and receive income taxable under the Service and Other Activities tax classification. **Enter the taxable amount calculated on Schedule A.**

Line 10: Add the total taxable amounts and subtotal tax due from Line 1 through Line 9. ****If applicable, subtract the taxable amount(s) used to calculate internal MATC on Schedule C, Lines 4 through 8.**

Line 11: If the business engages in Extracting, Manufacturing, or Printing activities, enter the Multiple Activities Tax Credit (MATC) amount **calculated on Schedule C.** Credits that are not shown on Schedule C will be disallowed.

Line 12: If applicable, subtract the MATC on Line 11 from the tax due on Line 10. Enter the total tax due.

Total Amount Due: If payment of the tax is submitted after the tax return due date, add late return penalty and interest to the total tax due (as described above). *If your taxable gross receipts for the calendar year are expected to be \$750,000 or less, you may enter zero and omit payment. If payment is not made and this threshold is later exceeded, a reconciliation must be filed to pay the tax by January 31. Refer to the **Annual B&O Tax Threshold Reconciliation form.***

AMENDED RETURNS: To amend a previously filed return, write "AMENDED" at the top of the front page and enter the correct amounts. Mail the amended return (including applicable schedules) to the address provided and include payment if additional tax is due. If you are requesting a refund, include an **Application for Refund or Credit** and submit supporting documents. If no additional tax is due, you may email the amended return(s) to tax@tukwilawa.gov.

PENALTY WAIVER REQUESTS: You may submit a penalty waiver request by completing an **Application for Refund or Credit.** The tax must be paid before a penalty waiver can be considered. Circumstances that qualify for a waiver are limited to those that are outside the control of the taxpayer. The taxpayer must demonstrate that it exercised ordinary care and prudence to file and pay on time and was unable to request an extension before the due date. Financial hardship, a misunderstanding, or lack of knowledge of a tax liability are not qualifying circumstances.



CITY OF TUKWILA
SCHEDULE A - SERVICE AND OTHER INCOME APPORTIONMENT

2024

Attach to B&O Tax Return:

City of Tukwila
 Finance Department
 6200 Southcenter Blvd.
 Tukwila, WA 98188-2544

Washington UBI Number	City of Tukwila Account Number	Tax Reporting Period (Quarter/Year)	Due Date

Line No.		Amount
Section 1. Apportionable Income		
1a	Companywide gross service income	
1b	Less companywide deductions allowed in TMC 3.26.100 (itemize on Schedule B)	
1c	Apportionable income (<i>subtract Line 1b from Line 1a</i>)	
Section 2. Payroll Factor*		
2a	Employee compensations costs in Tukwila (from worksheet below)	
2b	Companywide employee compensation costs	
2c	Payroll factor (<i>divide Line 2a by Line 2b</i>)	
Section 3. Service Income Factor		
3a	Gross service income in Tukwila from customers located in Tukwila**	
3b	Companywide gross service income (<i>from Line 1a</i>) minus excluded income (from worksheet below)	
3c	Service income factor (<i>divide Line 3a by Line 3b</i>)	
Section 4. Tukwila Taxable Service Income		
4a	Sum of payroll factor and service income factor (<i>add Line 2c and Line 3c</i>)	
4b	Apportionment Factor (<i>divide Line 4a by two*</i>)	
4c	Income subject to Service and Other Activities B&O tax in Tukwila (multiply Line 1c by Line 4b). Enter this amount on the B&O Tax Return, Line 9, Column 4.	

**If the business does not have any employees, the apportionment factor equals the service income factor (Line 3c).*

PAYROLL FACTOR WORKSHEET	
Employee compensation costs attributable to Tukwila	Amount
a. Compensation paid to employee(s) primarily assigned in Tukwila for the tax period.	
b. Compensation paid to employee(s) not primarily assigned to any place of business for the tax period and the employee performs 50 percent or more of his or her service for the tax period within the City of Tukwila.	
c. Compensation paid to employee(s) not primarily assigned to any place of business for the tax period, the employee does not perform 50 percent or more of his or her service in any city, and the employee resides within Tukwila.	

SERVICE INCOME FACTOR WORKSHEET	
Excluded Income	Amount
a. Gross service income attributable to a city or unincorporated county within the U.S., or a foreign country, in which the taxpayer is not taxable and at least a portion of the service is performed within Tukwila. <i>Refer also to the instructions page for details.</i>	

Instructions for Schedule A - Service and Other Activities Income Apportionment

General Information: This schedule is used to calculate the amount of taxable service income in Tukwila using the two-factor apportionment method described in Tukwila Municipal Code (TMC) 3.26.077. This apportionment method is generally required by every person who engages in business inside and outside of Tukwila and derives income that is subject to tax under the Service & Other Activities tax classification. This schedule does not apply to (1) income that is subject to tax under another tax classification (such as retailing or wholesaling); (2) income derived from royalties; (3) financial institutions; (4) income derived by motor carriers from transporting goods. Other exclusions may apply.

Apportionment Formula: Service income is apportioned to Tukwila using the following formula.

$$\text{Tukwila Taxable Service Income} = \text{Apportionable Income} \times \text{Apportionment Factor}$$

The apportionment factor is a fraction, the numerator of which is the sum of the payroll factor and service income factor, and the denominator of which is two (2). If the business has no employee compensation costs, then the payroll factor is excluded, and the apportionment factor is equal to the service income factor.

$$\text{Apportionment Factor} = (\text{Payroll Factor} + \text{Service Income Factor}) / 2$$

$$\text{Payroll Factor} = \text{Employee Compensation Paid in Tukwila} / \text{Companywide Employee Compensation}$$

$$\text{Service Income Factor} = \text{Gross Service Income in Tukwila} / (\text{Companywide Gross Service Income} - \text{Excluded Income})$$

When calculating the various factors, round to four digits after the decimal. E.g. for a factor of 24.895%, enter 0.2490.

***Definitions:** For a comprehensive list of definitions pertaining to service apportionment, refer to TMC 3.26.077(G).

Apportionable income means the gross income of the business taxable under the service classification of a city's gross receipts tax, including income received outside of Tukwila that would be taxable under the Service classification if received from activities within Tukwila, less any exemptions or deductions available.

Compensation means wages, salaries, commissions, and any other form of remuneration paid to employees for personal services that are included in the employee's gross income under the federal Internal Revenue Code.

****Customer location** means the following:

- (i) For a customer *not* engaged in business: If the service requires the customer to be physically present, the customer location is where the service is performed. If the service does *not* require the customer to be physically present, then the customer location is the customer's residence, or the customer's billing/mailling address if the customer's residence is not known.
- (ii) For a customer engaged in business: The customer location is where the services are ordered from. If the location from which the services are ordered is not known, then the customer location is the customer's billing/mailling address. If neither of these are known, then the customer location is the customer's commercial domicile.

Not taxable means the taxpayer is not subject to a business activities tax by that city or county within the U.S. or by that foreign country ("jurisdiction"), except that a taxpayer is taxable in the other jurisdiction if it would be deemed to have substantial nexus in that jurisdiction under the standards in RCW 35.102.050 regardless of whether that jurisdiction imposes a business activities tax. "Business activities tax" means a tax measured by the amount of, or economic results of, business activity conducted in a city or county within the U.S. or within a foreign country. It does not include sales or use tax, or similar transaction tax on the sale/acquisition of goods.

Tax period means the calendar year during which tax liability is accrued.

Annual Reconciliation: If B&O taxes are reported by a taxpayer on a basis more frequent than once per year, the taxpayer may either use the factors calculated for the previous calendar year for reporting in the current calendar year, or the taxpayer may use the current year's information to calculate the factors. In either event, once the taxpayer has the information to determine the actual factors, it must file a reconciliation if there are over- or underpayments of tax. The reconciliation must be filed by March 31 of the following year on the **Service Apportionment Reconciliation** form.



CITY OF TUKWILA
SCHEDULE B - DEDUCTION DETAIL

2024

Attach to B&O Tax Return:

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 Finance Department
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 Tukwila, WA 98188-2544

Washington UBI Number	City of Tukwila Account Number	Tax Reporting Period (Quarter/Year)	Due Date

Line No.	Column 1 Tax Classification	Column 2 Deliveries Outside of Tukwila	Column 3 Credit Losses (Bad Debts)	Column 4 Returns & Cash Discounts*	Column 5 Other	Column 6 Total Deductions
1	Retailing					
2	Retail Service					
3	Wholesaling					
4	Manufacturing					
5	Extracting					
6	Printing or Publishing					
7	Processing for Hire or Extracting for Hire					
8	Service and Other Activities					
9	Service and Other Activities (Apportioned)					

Explanation of other deductions:

Instructions for Schedule B - Deduction Detail

For each tax classification, enter the total deductions from Column 7 onto page one of the B&O tax return in Column 3. Only the most common deductions have been listed on this schedule. For additional allowable deductions, refer to Tukwila Municipal Code (TMC) 3.26.100. Any deductions not specifically listed should be entered in the 'Other' deduction category with an explanation in the space provided; deductions without explanation will be disallowed.

Deliveries Outside of Tukwila: This deduction applies only to the Retailing, Wholesaling, and Retail Service classifications. Deductions may be claimed for the sale, lease, or rental of tangible personal property delivered to the buyer or buyer's representative outside of Tukwila, and for retail or wholesale services performed outside of Tukwila.

Returns & Cash Discounts: A deduction may be claimed from the measure of tax if the buyer returns purchased goods within the guaranty period for a refund or credit, or if the seller grants cash discounts from the selling price. *Cash discounts may not be deducted from the value of products subject to manufacturing or extracting tax.

Bad Debts/Credit Losses: In computing the gross receipts tax, taxpayers whose regular books of account are kept on an accrual basis may claim a deduction for the amount of bad debts/credit losses actually sustained by the taxpayer.

Other: Other deductions are outlined in TMC 3.26.100 and TMC 3.26.075. Explain the deduction(s) in the space provided. If multiple types of deductions are included in this category, provide the amount and description for each.



CITY OF TUKWILA
SCHEDULE C - MULTIPLE ACTIVITIES TAX CREDIT (MATC)

2024

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 Finance Department
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EXTERNAL CREDITS (Gross Receipts Taxes Paid to Other Cities)					
	Column 1	Column 2	Column 3	Column 4	Column 5
Line No.	Activity which results in a credit	Taxable Amount (after deductions)	Gross Receipts Tax		Credit Amount
			Tukwila	Outside Tukwila	
1	Retailing in Tukwila of products extracted, manufactured, or printed outside of Tukwila				
2	Wholesaling in Tukwila of products extracted, manufactured, or printed outside of Tukwila				
3	Manufacturing in Tukwila using ingredients extracted outside of Tukwila				
Total External MATC (add Lines 1 thru 3)					

INTERNAL CREDITS (Gross Receipts Taxes Paid to Tukwila)							
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
Line No.	Activity which results in a credit	Taxable Amount (after deductions)	Gross Receipts Tax				Credit Amount
			Retailing (tax rate 0.0005)	Wholesaling (tax rate 0.00085)	Manufacturing or Printing (rate 0.00085)	Extracting (tax rate 0.00085)	
4	Retailing in Tukwila of products manufactured or printed in Tukwila						
5	Wholesaling in Tukwila of products manufactured or printed in Tukwila						
6	Manufacturing in Tukwila of products extracted in Tukwila						
7	Retailing in Tukwila of products extracted in Tukwila						
8	Wholesaling in Tukwila of products extracted in Tukwila						
Total Internal MATC (add Line 4 thru 8)							

Total External and Internal MATC (enter amount on page one of B&O tax return, Line 11)	
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Instructions for Schedule C - Multiple Activities Tax Credit

General Information: The purpose of the Multiple Activities Tax Credit (MATC) is to ensure that an eligible gross receipts tax is not paid by the same business more than once on the same amount. The MATC applies when a business engages in activities that are subject to tax under more than one tax classification. The MATC also applies when a business had paid an eligible gross receipts tax to another local jurisdiction on the same amount reported to Tukwila.

“Eligible gross receipts tax” means a tax which:

1. Is imposed on the act or privilege of engaging in business activities within TMC Section 3.26.050; and
2. Is measured by the gross volume of business, in terms of gross receipts, and is not an income tax or value added tax; and
3. Is not, pursuant to law or custom, separately stated from the sales price; and
4. Is not a sales or use tax, business license fee, franchise fee, royalty or severance tax measured by volume or weight, or concession charge, or payment for the use and enjoyment of property, property right or a privilege; and
5. Is a tax imposed by a local jurisdiction, whether within or without the State of Washington, and not by a country, state, province, or any other non-local jurisdiction above the county level.

Instructions:

External Credits (Gross Receipts Taxes Paid to Other Cities)

Column 2: Enter the taxable amount attributable to products sold or manufactured in Tukwila using ingredients or components that were manufactured, printed, or extracted by the company outside of Tukwila and on which an eligible gross receipts tax was paid by the company to another local jurisdiction.

Column 3: Enter the Tukwila B&O tax due on the amount in Column 2.

Column 4: Enter the amount of eligible gross receipts tax paid to another local jurisdiction with respect to the manufacturing, printing, or extracting of the products.

Column 5: Enter the lesser of the amounts in Columns 3 and 4.

Internal Credits (Gross Receipts Tax Paid to Tukwila)

Column 2: Enter the taxable amount attributable to products that were both sold in Tukwila and manufactured, printed, or extracted in Tukwila; and/or enter the value of products manufactured in Tukwila that were extracted in Tukwila.

Columns 3 through 6: Multiply the amount in Column 2 by each applicable tax rate.

Column 7: Enter the lesser of the amounts in Columns 3 through 6.

Carry over the total credits to page one of the B&O tax return, Line 11.

Example 1 (Internal MATC): A company manufactures goods in Tukwila, which are sold at retail. During Quarter 1, the company sold manufactured goods for \$500,000 that were produced at the Tukwila facility. Of this amount, \$100,000 was sold within Tukwila, and the remaining products were delivered to buyers located outside the city.

- The company must report \$500,000 under the Manufacturing tax classification, with tax due of \$425.
- The company must also report \$500,000 under the Retailing tax classification. A retailing deduction is claimed for sales of goods delivered outside the city in the amount of \$400,000. The retailing tax due on the remaining \$100,000 in sales of goods delivered within Tukwila is \$50.
- The company may claim a MATC in the amount of \$50 (= \$100,000 x 0.0005). The total tax due is \$425.

Example 2 (External MATC): A company manufactures goods in Seattle which it sells at wholesale in various cities. During Quarter 1, the company's wholesale sales of goods in Tukwila (which were manufactured in Seattle) are \$200,000. Assuming the company paid manufacturing gross receipts tax to the City of Seattle at a rate of 0.00222:

- The manufacturing tax paid to Seattle is \$444.
- The wholesaling tax due in Tukwila is \$170.
- The company may claim a MATC in the amount of \$170 (= lesser of the two taxes). The total tax due is \$0.