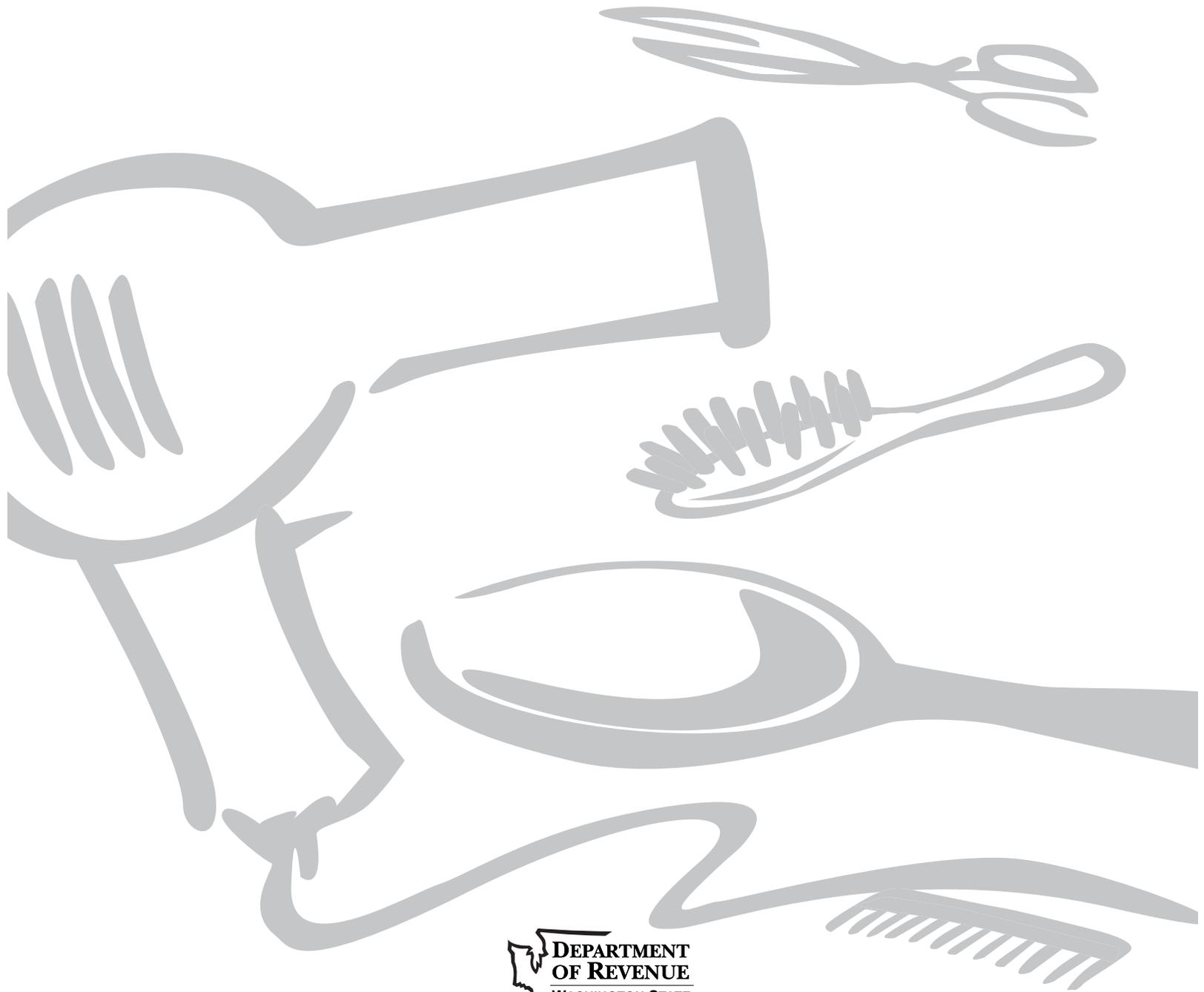


BEAUTICIANS GUIDE

TO WASHINGTON STATE EXCISE TAXES

Summer 2004



Washington State Department of Revenue
Taxpayer Services Division

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INTRODUCTION

Beauty is a thriving industry in Washington State. Services provided by persons in the industry range from haircuts and manicures, massages, and tattoos to body piercing. In addition, many salons also sell beauty products to their customers. Various factors determine whether persons performing these and other services are subject to the Department of Revenue's tax registration and reporting requirements.

Whether a person must register, file a return, and pay state taxes depends on the nature of the services performed. Under Washington's tax laws, as provided by the Revised Code of Washington (RCW), some services are considered professional services while others are specifically defined as retail sales. The imposition of various taxes, such as the business and occupation (B&O) tax, retail sales tax, and use tax, depend on whether an activity is classified as a service or a retail sale.

The purpose of this reporting guide is to assist persons in the beauty industry and tax practitioners to better understand how Washington's excise taxes, mainly business and occupation tax and retail sales tax, apply to various beauty-related services performed in this state. Our goal is to provide easy-to-understand information, so that persons in the beauty industry can learn the tax responsibilities that accompany operating a stand-alone business or as an independent contractor.

The information contained in this reporting guide is current at the time of publication. It is important to remember that state tax laws change on a regular basis and this reporting guide does not reflect any changes occurring after printing.

We understand you may have questions or want additional information that this reporting guide does not cover. For assistance with specific tax questions, please call the Washington State Department of Revenue's Telephone Information Center at 1-800-647-7706 weekdays, from 7:30 a.m. to 5:00 p.m. Additional information about the Department of Revenue's services is available in the "Services" section of this reporting guide.

Also visit our Internet web site at: <http://dor.wa.gov>

Mailing Address: Taxpayer Services
State of Washington Department of Revenue
PO Box 47478
Olympia, WA 98504-7478

TAXPAYER RIGHTS AND RESPONSIBILITIES

THE TAXPAYERS OF THE STATE OF WASHINGTON HAVE THE RIGHT TO:

- ◆ Simple and prompt administrative process for tax refunds and credits.
- ◆ Timely, fair and equitable treatment with dignity and respect.
- ◆ Accurate written information on reporting instructions, appeal procedures, refund claims and reasons for assessment.
- ◆ Public hearings on proposed rules.
- ◆ Review and appeal of assessments, business registration revocation and adverse rulings.
- ◆ Remedies when statutes and rules are found to be unconstitutional.
- ◆ Confidentiality of financial and business information.

THE TAXPAYERS OF THE STATE OF WASHINGTON HAVE THE RESPONSIBILITY TO:

- ◆ Register with the Department of Revenue.
- ◆ Know their tax reporting obligations and seek instructions when they are uncertain.
- ◆ Keep accurate and complete business records.
- ◆ File returns and pay taxes in a timely manner.
- ◆ Ensure the accuracy of the information entered on their tax returns.
- ◆ Substantiate claims for refund.
- ◆ Notify the Department of Revenue and pay taxes promptly when closing a business.

DEFINITIONS

Booth/Chair Renter: A booth/chair renter is an independent person who performs cosmetology, barbering, esthetics, or manicuring services that require a professional license and pays a fee to the salon for use of the booth/chair. Generally, a booth/chair renter is required to have their own tax registration and is required to report their own income.

Business and Occupation (B&O) Tax: The B&O tax applies to the gross amount received from conducting business. There are different reporting classifications for retail sales, wholesale sales, professional services, etc. Each classification has its own tax rate. Persons performing more than one activity may be subject to B&O tax under more than one reporting classification.

Consumer: A consumer is any person who uses tangible personal property and receives services defined as retail sales. Such tangible personal property or services may be for personal use or for use when conducting business activities. If you're a seller, you need to know who is a consumer to know when to collect sales tax. If you're a buyer, you need to know when to pay sales tax and, if sales tax hasn't been paid, when to pay use tax or deferred sales tax.

Deferred Sales Tax: This tax applies under conditions where a person acquired goods without paying sales tax when sales tax was due. Generally, deferred sales tax applies when someone uses a resale certificate to purchase goods that are used and not resold (without use). When reporting deferred sales tax, place the taxable amount on the use tax line of the excise tax return.

Gross Amount: The term "gross amount," which appears at the top of column one on the excise tax return, is a "catch-all" term for whichever of the following terms is applicable to your business: "gross proceeds of sale," "gross income of the business," or "value of products." The gross amount includes all consideration received without deductions for the costs of doing business or other expenses.

Independent Contractor: An independent contractor is usually a person who engages in business activities other than as an employee. Determining whether a person is an independent contractor or an employee is important because independent contractors are subject to the B&O tax (and other business taxes) and employees are not. Various factors determine whether one is an employee or an independent contractor. Generally, independent contractors are entitled to the gross income of the business, are liable for business losses and expenses, file a statement of business income and expenses (Schedule C) for federal income tax purposes, and may employ others, etc.

Master Application: This application is completed by persons that are required to register with one or more state agencies. Persons completing the application are assigned a UBI/tax registration number. The business then receives a Master License to post at the business location.

DEFINITIONS (continued)

Resale Certificate: A completed resale certificate is given by a buyer to a seller to verify that the goods or retail services are being purchased for resale in the normal course of business without intervening use.

Retail Sales Tax: A tax imposed on the buyer of goods and certain retail services. However, the seller is responsible for collecting the tax from the consumer and remitting the tax to the Department of Revenue. The sales tax is a combined state and local tax.

RCW: Revised Code of Washington

UBI/Tax Registration Number: Sometimes called a registration, tax reporting account, “C,” or resale number, the Unified Business Identifier (UBI) number is a nine-digit number used to identify persons engaging in business activities. The number is assigned when a person completes a Master Application to register with or obtain a license from state agencies. The departments of Revenue, Licensing, Employment Security, Labor and Industries, and the Corporations Division of the Secretary of State are among the state agencies participating in the UBI program.

Use Tax: Use tax is imposed on the acquisition of goods for consumer use in this state when the state’s retail sales tax has not been paid. With respect to the use of goods as a consumer, either sales tax or use tax, but not both, applies. In this manner, use tax serves to complement the sales tax. Like the sales tax, the use tax is a combined state and local tax. Use tax rates and sales tax rates are the same.

WAC: Washington Administrative Code

BUSINESS AND OCCUPATION (B&O) TAX

With few exceptions, virtually all persons conducting business activities within the state of Washington are subject to the B&O tax. Persons performing more than one activity may be subject to B&O tax under more than one of the reporting classifications. The measure of the B&O tax is generally the gross income of the business or the gross proceeds of sale, there are no deductions for costs or expenses associated with conducting business.

B&O Tax Classifications Common to the Beauty Industry

Most persons in the beauty industry will report under one or more of the B&O tax classifications. The most common classifications for beauty salons are retailing, service and other activities, and wholesaling.

Retailing B&O Tax Classification

Income from conducting activities defined as retail sales or sales at retail is subject to B&O tax under the retailing classification. Persons in the beauty industry making retail sales or providing services that are defined as retail sales must also collect the retail sales tax. (See “Collection of Sales Tax.”) The measure of tax under the retailing classification is the gross proceeds of sale. Generally, this is represented by the selling price.

What are retail sales?

The definition of a “retail sale” or “sale at retail” includes various activities. The following are retail sales:

- ◆ **Sales of tangible personal property to consumers.** A consumer is generally any person who uses tangible personal property or receives services defined as retail sales. Salons and other persons in the beauty industry typically sell various health, hair and body care products, nutritional supplements, and other sundry items to their clients. The sale of these items to clients are retail sales.
- ◆ **Services performed on personal property of consumers.** Washing and styling of wigs, hairpieces, extensions, etc., is a retail sale.
- ◆ **Steam and Turkish baths.** Charges for spas and baths are subject to sales tax.
- ◆ **Tanning and tattooing services.** Tanning and tattooing services are specifically defined as retail sales.

BUSINESS AND OCCUPATION (B&O) TAX (continued)

Retailing B&O Tax Exemptions and Deductions

As previously noted, there are no deductions from the B&O tax for the costs associated with doing business. However, the law allows certain exemptions and deductions. Many apply to both the retailing B&O tax and the retail sales tax. However, there are also many sales tax exemptions for which there are no comparable B&O tax exemptions.

There are few retailing B&O tax exemptions and deductions that apply to the beauty industry. The most common include the following:

- ◆ **Casual Sales:** Sales of tangible personal property by a business that does not generally sell such goods. Such sales are generally related to a sale of capital assets. For example, a salon may remodel its business location by installing new fixtures, such as mirrors, chairs, sinks, etc. The salon sells the existing fixtures to another salon. The sale of these fixtures is a retail sale and subject to sales tax. However, the salon does not routinely sell fixtures. Although the salon must collect sales tax from the buyer, the sale qualifies as casual and isolated. Under the retailing B&O tax classification, the salon may take a “casual sales” deduction equal to the amount of the sale.
- ◆ **Returns and Allowances:** A salon may take a B&O tax deduction for returned goods for which the buyer receives a full refund including the proportional amount of sales tax. The refunded sales tax should be separately stated on the refund invoice.
- ◆ **Bad Debts:** A deduction is allowed on returned checks and other income that has been reported on your tax returns that you are not able to collect on.

Persons making retail sales must collect retail sales tax from the customer unless the sale is specifically exempt. (See “Collection of Sales Tax section.”) Persons making retail sales are subject to the retailing B&O tax even if the sale is exempt from sales tax.

Wholesaling B&O Tax Classification

The definition of a wholesale sale includes the sale of tangible personal property to a person who is not a consumer and who provides a resale certificate. (See sample on page eight.) Income from wholesale sales is subject to B&O tax under the wholesaling classification. The measure of tax under the wholesaling classification is the gross proceeds of sales. Generally, this is represented by the selling price.

For example: A salon may sell hair care products to independent booth/chair renters. If the booth/chair renter will resell such product to her own customers, a resale certificate may be given so that sales tax is not due and a wholesale sale occurs.



RESALE CERTIFICATE

1. Name of Seller: _____
2. Name of Buyer/Business: _____
3. Address of Buyer: _____
Street
City, State
Zip Code
4. Buyer's UBI/Revenue Registration Number: _____
5. Buyer is in the business of: _____
6. Types of items purchased for resale: _____

The buyer certifies that it is purchasing the items listed on line 6 (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 _____
(Not To Exceed 4 Years)

Date Signed: _____

Seller must maintain a copy. Please do not send to Department of Revenue.
Reference Rule and Statute (RCW 82.08.130 and WAC 458.20.102)

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 753-3217. Teletype (TTY) users may call (800) 451-7985. You may also access tax information on our Internet home page at <http://dor.wa.gov>.

BUSINESS AND OCCUPATION (B&O) TAX (continued)

Service and Other Activities B&O Tax Classification

Income from performing personal and professional services and activities not otherwise classified in Chapter 82.04 RCW is subject to B&O tax under the service and other activities classification. Many of the services typically performed by beauty operators are taxable under the service and other activities classification.

What activities are taxable under service and other activities B&O tax?

Income derived from providing haircuts, coloring, permanents, manicures, massage therapy, booth/ chair rental, etc., is taxable under the service and other activities classification.

City Business and Occupation Tax and Licenses

Many cities impose a tax on general business activities. Although commonly referred to as a B&O tax, the Department of Revenue does not administer local B&O taxes. That tax administration is left to each city or town that imposes a B&O tax. Local B&O tax classifications may or may not mirror Washington State's B&O tax applications, exemptions, deductions, and measures of tax. Consequently, you should contact each city or town in which you conduct business regarding their specific taxes.

Approximately 160 Washington cities impose licensing requirements. For those cities imposing a tax on general business activities, the licensing requirements are in addition to the tax. Licensing fees vary from city to city. Fees may be based on a flat rate, number of employees, type of business, or square footage of office or building space.

The Washington State Department of Licensing's Master License Service operates License Information Management System (LIMS), an on-line "licensing library" providing information on federal, state, county, and city licensing for easy reference. The Internet address is: <http://www.wa.gov/dol/bpd/limsnet.htm>.

COLLECTION OF SALES TAX

Washington's retail sales tax applies to sales of tangible personal property to consumers and charges for services defined as "sales at retail" or "retail sales." Thus, if you make a sale that is subject to B&O tax under the retailing classification, you must collect sales tax unless a specific exemption applies.

The following sales to consumers (retail sales) require collection of retail sales tax:

- ◆ Sales/cleaning and repairs of wigs, hairpieces, and extensions
- ◆ Sales of beauty/cosmetic products
- ◆ Sales of nutritional supplements
- ◆ Sales of combs, brushes, curling irons, hair dryers, etc.
- ◆ Charges for tanning
- ◆ Charges for steam or turkish baths (spas)
- ◆ Charges for tattoos

Beauty operators who make retail sales in Washington are responsible for collecting and remitting the state's retail sales tax. The tax applies to consumer purchases of retail goods and certain services. Depending on the location of sale, rates range from 7.0 to 8.8 percent.

Although buyers are subject to and must pay the sales tax when making retail purchases, sellers must collect and pay the tax to the Department of Revenue. Sellers are liable for the tax even if they do not collect it from the buyer.

Sales Tax Rates - Combined State and Local Sales Tax

Washington's retail sales tax is a combination of the state retail sales tax and the local retail sales tax. The Department distributes the local sales tax to local governments each month. Depending on the location of sale, Washington's sales tax rates range from 7.0 to 8.8 percent. The state's portion is 6.5 percent while local rates range from 0.5 to 2.3 percent.

Determining the location of sale

The location of sale determines the applicable sales tax rate. Generally, your business should collect sales tax at the rate for your business location.

- ◆ **Sales of tangible personal property.** For those sales consisting solely of the sale of tangible personal property, the origin of the goods determines the location of sale.

For example, a client visits a salon and receives a hair cut. Before leaving the salon, the client purchases a bottle of hair spray. The sale occurs at the salon.

COLLECTION OF SALES TAX (continued)

- ◆ **Sales of retail services.** For sales of retail services, the place of sale is where the service is performed. Except for sales of tangible personal property, retail services generally include all activities defined as retail sales. For persons in the beauty industry, tanning and tattooing are specifically defined as retail sales.

Itemize Sales Tax

If you provide receipts to your customers for your sales and services, you must separately list the sales tax. Otherwise, the law conclusively presumes that you did not collect the sales tax and you will owe sales tax on the amount of the invoice. It is not sufficient to merely state the tax is included.

Clients visiting salons frequently purchase products at the same time they receive various services. For example, a client who receives a manicure may also buy a bottle of nail polish to use at home. The sales invoice must clearly identify the charge for professional services, the manicure, and the charge for the nail polish. Sales tax applies to the purchase of the polish but not the manicure. The sales tax for the nail polish must be separately identified on the invoice.

Retail Sales Tax Exemptions

Washington law provides some exemptions from the retail sales tax.

Sales tax exemptions and deductions with comparable B&O tax exemptions and deductions:

- ◆ Bad debts; and
- ◆ Returns and allowances.

Sales tax exemptions and deductions without comparable B&O tax exemptions or deductions:

Sales of tangible personal property (nonretail services) to nonresidents of Washington that are residents of:

Oregon, Montana, Alaska, Alberta, Delaware, New Hampshire, Virgin Islands, Guam, Yukon, Puerto Rico, and The Commonwealth of Northern Mariana Islands.

(See Excise Tax Advisory 2014.08.193 for a list of additional qualifying states, provinces, and territories.)

PAYMENT OF SALES/USE TAX ON CONSUMABLES

In addition to understanding when to collect Washington's retail sales tax, beauty operators must also understand when they owe use tax and deferred sales tax. The terms "sales tax," "use tax," and "deferred sales tax" are frequently used interchangeably. Although the rates are the same, the application of each tax differs according to the circumstances of sale. Beauty operators making purchases for use as a consumer without payment of Washington's retail sales tax must understand when it is necessary to report and pay use tax or deferred sales tax.

Each business owes sales tax or use tax on items used in their business (and not resold without intervening use). Items consumed (used by) salons on which either sales tax or use tax is due include (but is not limited to): equipment, furniture, supplies, magazine subscriptions, combs, brushes, curling irons, hair dryers, aprons, gloves, tissues, and cosmetic products applied onto the customer.

Sales Tax

You should pay sales tax when you purchase consumable goods and services. However, if you purchase goods from a private party that is not in business or you purchase goods from out-of-state vendors (by subscription, mail order, Internet, etc.), you may not be charged sales tax. **However, you will owe use tax on such goods used in Washington.**

Purchases of goods (and some limited services) for resale (without intervening use) are not subject to sales tax if a properly completed resale certificate is provided to the vendor. (See "Purchases for Dual Use section.")

Use Tax

Washington's use tax is a companion to the sales tax. The tax is due when goods are acquired **for use** (i.e., not for resale) in Washington without payment of the state's sales tax.

Use tax rates are the same as sales tax rates. Thus, rates range from 7.0 to 8.8 percent depending on the location. For local use tax purposes, the location of first use of the property in Washington determines which rate applies. A business reporting use tax as a consumer will generally use its location to determine which rate applies.

Purchases for Dual Use

Some businesses make bulk purchases of certain products where some of the product will be used or consumed by the business and the balance will be sold directly to the customer. Typically, the business does not know what portion of the product will be used as a consumer and what portion will be

PAYMENT OF SALES/USE TAX ON CONSUMABLES (continued)

resold. Thus, the business is often unsure whether to pay retail sales tax on the purchase or provide a resale certificate to the vendor, and how to reconcile the proper taxability.

When a business both consumes and sells products and is not able to determine at the time of purchase whether the product will be consumed or sold, the business should determine what is the *primary nature of the product*.

If the business primarily consumes the product in question, the business should not give a resale certificate to the vendor and should pay retail sales tax.

If the business primarily resells the product, the business may issue a resale certificate for the entire purchase.

Deferred Sales Tax Liability

When the business gives a resale certificate for all purchases and thereafter consumes some of the product purchased, the business must set up the value of the article used in his or her books and records and remit to the Department of Revenue the applicable *deferred sales tax*. Deferred sales tax is the tax the business would have paid on the product had it not been purchased using a resale certificate. The deferred sales tax liability should be reported under the use tax classification on the business's excise tax return.

Tax Paid at Source Deduction

When the business has paid tax on a purchased product, and subsequently resells some of the product, the business *must collect the retail sales tax* from its customer. When reporting these sales on the excise tax return, the business can claim a deduction on the excise tax return (page four, line 0130) for the taxable amount that the business paid.

Credit for Sales or Use Tax Paid in Another State

The amount of use tax legitimately due and paid to another state before the property was first used in Washington may be deducted from the amount of use tax due in Washington. You must have documentation of the tax paid in another state.

Litter tax is imposed on those industries whose products are reasonably related to the litter problem.

LITTER TAX

The rate of the litter tax is .00015 (.015%) and it applies to sales made within this state of items falling into the above categories. It is imposed in addition to any other taxes.

The litter tax applies to sales of “toiletries,” which is defined as all substances such as soap, powder, cologne, perfume, cosmetics, toothpaste, etc., used in connection with personal dressing or grooming. Therefore, report your sales of beauty products under the Litter Tax classification on line 28 of the excise tax return. This is in addition to reporting your sales of beauty products under the retailing B&O tax classification and retail sales tax (or under the wholesaling B&O tax classification in some cases).

For more information, see WAC 458-20-243.

QUICK TAX REFERENCE FOR BEAUTY SALONS

Most services performed by persons in the beauty industry are taxable as professional services. Those that are taxable as retail sales are treated so because the statute identifies those activities as retail sales. If you have a question about the tax treatment of an activity not listed, please contact the Department for further information.

Tips and Gratuities

Unsolicited tips and gratuities you receive from your customers are not subject to any state taxes; federal tax may apply to tips.

Service and Other Activities B&O Tax

Gross income from charges for the following activities is subject to B&O tax under the service and other activities classification (**sales tax does not apply**):

- ◆ Hair services, to include styling, cutting, washing, perming, coloring, tinting, waving, braiding (such as cornrows), etc.
- ◆ Massage provided by licensed massage therapists
- ◆ Manicures
- ◆ Pedicures
- ◆ Nail, acrylic, linen, silk, gel - applying, maintaining, or removing
- ◆ Body hair removal
- ◆ Facials
- ◆ Cosmetic application
- ◆ Ear/body piercing
- ◆ Booth/chair rentals

Collecting Retail Sales Tax

Charges for services that are specifically defined as retail sales and sales of goods to consumers are subject to retail sales tax. Collect and remit sales tax on the following sales to consumers:

- ◆ Sales/cleaning and repairs of wigs, hairpieces, and extensions
- ◆ Sales of beauty/cosmetic products
- ◆ Sales of nutritional supplements
- ◆ Sales of combs, brushes, curling irons, hair dryers, etc.
- ◆ Charges for tanning, steam or turkish baths (spas)
- ◆ Charges for tattoos, including cosmetic tattoos

QUICK TAX REFERENCE FOR BEAUTY SALONS (continued)

Pay Tax on Consumables

A salon owes either sales tax or use tax on goods used/consumed in your business, such as:

- ◆ Use of beauty/cosmetic products applied onto your customers;
- ◆ Use of combs, brushes, curling irons, hair dryers, etc., in your business;
- ◆ Tanning equipment, chairs, sinks; and
- ◆ Aprons, gloves, tissues, towels, magazines, stylebooks, cleaning supplies, etc.

SAMPLE TAX RETURNS

All-City Hair Salon provides hair, tanning, massage, and nail services. In addition to the two partners, they have an independent stylist that rents a booth/chair and provides hair services. The independent's customers pay that stylist directly. The booth renter pays a flat fee of \$250 a month. The salon has a nail technician and a masseuse that are employees. Tanning beds and spas are also available to the salon's customers.

The salon has a monthly reporting frequency. During the month of July 2004, salon revenues were as follows:

	<u>Salon</u>	<u>Independent</u>	<u>Classification</u>
Haircuts	\$5,500	\$1,200	Service
Colors/tints	3,000	400	Service
Permanents	1,000	100	Service
Sales of cosmetic products	3,000	200	Retail
Sales of hair dryers, curlers, brushes, etc.	1,700	500	Retail
Wholesale sales	750		Wholesale
Tanning	2,000		Retail
Spas/steam baths	2,500		Retail
Nail services	4,000		Service
Massages	2,200		Service
Tips	900	300	Exempt
Booth/chair rental	250		Service

Prepare the Combined Excise Tax Return for July 2004 for All-City Hair Salon. The business is located in Seattle. The four-digit location code is 1726 and the local tax rate is 8.8% (See Attachment A).

Also, prepare a tax return for the independent, John's Booth (See Attachment B).

Report taxes as follows for the salon and the independent booth renter:

	<u>Salon</u>	<u>Independent</u>
Service and Other Activities B&O tax	\$15,950	\$1,700
Wholesaling B&O	750	
Retailing B&O		9,200
Retail Sales Tax	9,200	700
Location Code 1726	9,200	700
RTA	9,200	700
Litter Tax	3,000	200

July 2004

07

04

Attachment A

Combined Excise Tax Return

ONLY Fill in Box 7 Amended Return Information Attached

SAMPLE TAX RETURN

NAME Jane Doe TAX REGISTRATION NO. 602 000 XXXX
 FIRM NAME All City Hair
 STREET ADDRESS _____
 CITY, STATE, ZIP Seattle, WA 98101

Address changed? business location mailing address both business closed? Date closed ____/____/____ See Help section, pg 2.

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

Use Black Ink & Return The Original Form

I STATE BUSINESS AND OCCUPATION TAX

Line No.	Tax Classification	Code	Column 1 Gross Amount	Col. 2 Deduction of Totals from Pg. 2 & 4	Column 3 Taxable Amount	Col. 4 Rate	Column 5 Tax Due	
1	Extracting, Extracting for Hire	16				.0048+		
2	Slaughter, Slaughter Plant, Packer, Meat Packer, Mfg Wheat into Flour, Ray, Seafood, Soybean & Canola Proc	30				.00138		
3	Travel Agent/Com/air Operator, Int'l Charter Flight, Barber, Shingbaum, Assisted/Unassisted/Com	28				.00275		
4	Insurance Agents; Insurance Brokers/Comms	14				.0048+		
5	Prescription Drug, Warehouse, Mfg Fresh Fruit/Veg, Dairy Products, Bottled/Soft/Fuel, or Split/Proc Dead Pigs	21				.00138		
6	Processing for Hire; Printing and Publishing	10				.0048+		
7	Manufacturing	07				.0048+		
8	Royalties; Child Care	80				.0048+		
9	Wholesaling	03	730.00		730.00	.0048+	.47	
10	Warehousing, Pkg & TV Stacking, Public Rd Const, Gov Contracting, Chem Dependency/Ctr (after 7/28/03)	11				.0048+		
11	Public or Nonprofit Hospitals	55				.015		
12	Cleanup of Radioactive Waste for US Gov	83				.00471		
13	Service & Other Activities	04	13,930.00		13,930.00	.015	219.00	
14	Retailing of Inherently Transportation Equip	19				.0048+		
15	Retailing	02	9,200.00		9,200.00	.00471	43.00	
GROSS AMOUNTS FOR RETAILING AND RETAIL SALES MUST BE THE SAME							TOTAL B&O TAX	286.00

* Deductions taken but not itemized on pages 2 and 4 will be disallowed.

II STATE SALES AND USE TAX

16	Retail Sales (also complete local tax section II)	D1	9,200.00		9,200.00	.065	598.00
17	Use Tax/Deferred Sales Tax (also complete local tax section II)	D5				.065	
TOTAL STATE SALES & USE TAX							598.00

III LOCAL CITY AND/OR COUNTY SALES AND USE TAX

Line No.	Location Code	Taxable Amount	Local Rate	Tax Due City or Co.
18	1726	9,200.00	.019	173.00
19				
20				
21				
22				
TOTAL TAXABLE		9,200.00	TOTAL	173.00

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

Line No.	Tax Classification	Code	Taxable Amount	Rate	Tax Due
25	Motor Vehicle Sales Tax	120		.003	
26	Region / Local Authority (R/LA)	89	9,200.00	.004	37.00
27	King County Food & Bev	90		.005	
28	Liter Tax	36	3,000.00	.00016	0.00

If you have no business activity, check the box and mail this return (unless filed electronically)

DUE DATE: August 20, 2004
 * 5% Penalty Assessed After August 20, 2004
 15% Penalty Assessed After September 30, 2004
 25% Penalty Assessed After November 1, 2004
 If the due date falls on a weekend or legal holiday, the due date is extended to the next business day.

- Please make check or money order payable to the Washington State Department of Revenue. Include your tax registration number on your check. Do not mail cash or coins.
- For assistance, call (800) 647-7065.
- Signature _____
- Date _____

Line No.	Item	VIII TOTALS
29	Total All Tax Due from page 1	1,096.00
30	Total All Tax Due from page 2	
31	Total All Addendums (Example: Rental Car Addendum)	
32	Subtotal (add lines 29-31)	
33	Credit (from page 2, section VIII, total credit)	
34	Subtotal (subtract line 33 from line 32)	
35	Add Penalty, if applicable *	Minimum \$5.00
TOTAL AMOUNT OWED (add lines 34-35)		1,096.00

IV LODGING TAXES

TRANSIENT RENTAL INCOME INFORMATION Code 47				TOURISM PROMOTION AREA LODGING CHARGE Code 170				
Line No.	Location Code	Income		Line No.	Location Code	Number of Units/Days	Unit/Daily Rate Charged	Total Charge Due
36				40				
37				41				
38				42				
39				43				

(enter location code and income only)

TOTAL TOURISM PROMOTION AREA LODGING CHARGE

CONVENTION AND TRADE CENTER TAX Code 48				
Line No.	Location Code	Taxable Amount	Rate	Tax Due
44				
45				
46				

TOTAL CONVENTION & TRADE CENTER TAX

SPECIAL HOTEL/MOTEL TAX Code 70				
Line No.	Location Code	Taxable Amount	Rate	Tax Due
47				
48				
49				

TOTAL SPECIAL HOTEL/MOTEL TAX

V STATE PUBLIC UTILITY TAX

Line No.	Tax Classification	Code	Column 1 Gross Amount	Col. 2 Deduction of Total from Pg. 4	Column 3** Taxable Amount	Col. 4 Rate	Column 5 Tax Due
50	Water Distribution	60				.05029	
51	Sewer Collection	61				.03852	
52	Power	49				.03873	
53	Gas Distribution; Telegraph	26				.03852	
54	Motor Transportation; Railroad; Railroad Car	08				.01926	
55	Urban Transportation; Vessels Under 65 ft	12				.03642	
56	Other Public Service Business	13				.01926	

** If taxable amounts on lines 60-66 column 3 total is less than \$2,000, no Public Utility Tax is due.

TOTAL STATE PUBLIC UTILITY TAX

VI OTHER TAXES

Line No.	Tax Classification	Code	Column 1 Gross Amount	Col. 2 Deduction of Total from Pg. 4	Column 3 Taxable Amount	Col. 4 Rate	Column 5 Tax Due
57	Tobacco Products	20				1.2942	
58	Refuse Collection	64				.036	
59	Petroleum Products Tax	57	Temporary: Not Due - Fund Limit Reached			.005	
60	Hazardous Substance	65				.007	
61	MIR	79				.05	

Line No.	Tax Classification	Code	Item	Quantity Sold	Rate	Tax Due
62	Solid Fuel Burning Device Fee	59	Number of Stoves, Fireplaces, & Solid Fuel Burning Devices:		\$30.00	
63	Syrup Tax	54	Number of Gallons (whole numbers only):		\$1.00	
64	Srps Enhanced 911, TRS, & WYAP	93	Number of Taxable Switched Access Lines:		.47	
64b	(Wireless) Srps Enhanced 911 Tax	94	Number of Taxable Radio Access Lines (Wireless):		.20	

Line No.	Tax Classification	Code	Item	Number of Days	Rate	Tax Due
65	Usualy Impaired Fee for Nursing Facility Operators	78	Total Number of Patient Days Less Medicare Days:		\$6.50	

* Deductions taken but not itemized on page 4 will be disallowed.

TOTAL OTHER TAXES (Add lines 57-65)

NEED HELP?

Internet Assistance - Go to [COF home page at http://cof.tn.gov](http://COF.tn.gov)

- Get tax return information and instructions, penalty waiver information, and more.
- Click on **FORMS** to access forms including the Local Sales and Use Tax Addendum, and other tax-related forms.
- To update your account information or to close your account with the Department of Revenue, click on **CONTACT US**.

Telephone Assistance

- Call the Department of Revenue office nearest you or 1-800-647-7705.
- To file a No Business Activity return by telephone, call 1-800-647-7705. Enter code 111 and follow these steps: 1) Enter your 9-digit tax registration number; 2) Verify the number entered; 3) Enter 13;
- Respond to pre-recorded questions to file your return over the telephone. Do not mail paper returns back to the department.
- For penalty waiver or fee information, call 1-800-334-8969 and enter code 429.
- For business closure information, call 1-800-334-8969 and enter code 430.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (601) 705-0715. Tele type (TTY) users may call 1-800-451-7085.

VII CREDITS

Line No.	Credit Classification	Credit I.D.	Amount
66	Multiple Activities Tax Credit (attach Schedule C)	800	
67	High Technology Credit (attach Research & Development Credit Affidavit)	830	
68	Manufacturing Software; Programming Rural Employment BSO Credit	860	
69	Help Desk Services BSO Credit	865	
70	Alternatives to Field Burning BSO Credit	875	
71	International Services Credit	855	
72	Small Business BSO Tax Credit (go to http://tdor.tn.gov)	815	
73	Electric Utility Rural Economic Development Revolving Fund Public Utility Tax Credit	870	
74	Bad Debt Tax Credit (attach Schedule B)	801	
75	Hazardous Substance	805	
76	Public Utility Tax Credit for Billing Discounts/Qualified Contributions to a Low Income Home Energy Assistance Fund	880	
77	Other Credits (attach appropriate documents)	810	

TOTAL CREDIT (transfer to page 1, line 33)



July 2004

Deduction Detail

07
04

- If you have deductions, return pages 3 and 4. 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, Tax Registration Number and Attach to Combined Excise Tax Return.

Name _____

Tax Registration No. _____

Line 1 - Extracting, Extracting for Hire	I.D.	Amount
Bad Debt	1601	
Cash & Trade Discounts	1602	
Other (Explain):	1699	
TOTAL		
Line 2 - Slaughter, Break Processing...	I.D.	Amount
Bad Debt	3001	
Cash & Trade Discounts	3002	
Other (Explain):	3099	
TOTAL		
Line 3 - Travel Agent Com ; Int Charter...	I.D.	Amount
Bad Debt	2801	
Cash & Trade Discounts	2802	
Other (Explain):	2899	
TOTAL		
Line 4 - Insurance Agents; Insurance ...	I.D.	Amount
Bad Debt	1401	
Other (Explain):	1499	
TOTAL		
Line 5 - Manufacturing Fresh Fruits and...	I.D.	Amount
Bad Debt	2101	
Cash & Trade Discounts	2102	
Freight to Other State Deliveries	2103	
Intestate & Foreign Sales (Use for Prescription Drug Wholesale Selling Only)	2104	
Advances Reimbursements; Rtns & Allowances	2107	
Other (Explain):	2199	
TOTAL		
Line 6 - Processing for Hire ; Printing and...	I.D.	Amount
Bad Debt	1001	
Cash & Trade Discounts	1002	
Freight to Other State Deliveries	1003	
Advances Reimbursements; Rtns & Allowances	1007	
Other (Explain):	1099	
TOTAL		
Line 7 - Manufacturing	I.D.	Amount
Bad Debt	0701	
Cash & Trade Discounts	0702	
Freight to Other State Deliveries	0703	
Advances Reimbursements; Rtns & Allowances	0707	
Other (Explain):	0799	
TOTAL		
Line 8 - Royalties; Child Care	I.D.	Amount
Bad Debt	8001	
Cash & Trade Discounts	8002	
Advances Reimbursements; Rtns & Allowances	8007	
Other (Explain):	8099	
TOTAL		

Line 9 - Wholesaling	I.D.	Amount
Bad Debt	0301	
Cash & Trade Discounts	0302	
Intestate & Foreign Sales	0304	
Motor Vehicle Fuel Tax	0305	
Casual Sales; Accommodation Sales	0306	
Advances Reimbursements; Rtns & Allowances	0307	
No Local Activity	0308	
Other (Explain):	0399	
TOTAL		
Line 10 - Warehousing; Radio & TV...	I.D.	Amount
Bad Debt	1101	
Cash & Trade Discounts	1102	
Intestate & 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 Debt	5501	
Cash & Trade Discounts	5502	
Advances Reimbursements; Rtns & Allowances	5507	
Other (Explain):	5599	
TOTAL		
Line 12 - Cleanup of Radioactive Waste...	I.D.	Amount
Bad Debt	8301	
Cash & Trade Discounts	8302	
Intestate & Foreign Sales	8304	
Advances Reimbursements; Rtns & Allowances	8307	
Other (Explain):	8399	
TOTAL		
Line 13 - Service & Other Activities	I.D.	Amount
Bad Debt	0401	
Cash & Trade Discounts	0402	
Intestate & Foreign Sales	0404	
Advances Reimbursements; Rtns & Allowances	0407	
Gambling; Prize; Cash Pay-Offs	0410	
Certain Station Fees; Dues; Contributions	0411	
Interest on Certain Investments/Obligations	0412	
Artistic/Cultural Activities	0416	
Other (Explain):	0499	
TOTAL		
Line 14 - Retailing of Interstate Transport...	I.D.	Amount
Bad Debt	1901	
Cash & Trade Discounts	1902	
Intestate & Foreign Sales	1904	
Advances Reimbursements; Rtns & Allowances	1907	
Consignment Sales	1915	
Other (Explain):	1999	
TOTAL		

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

Line 15 - Retailing (E&O)	I.D.	Amount
Bad Debts	0201	
Cash & Trade Discounts	0202	
Interstate & Foreign Sales	0204	
Motor Vehicle Fuel Tax	0205	
Advances, Reimbursements, Retns & Allowances	0207	
No Local Activity	0208	
Casual Sales; Accommodation Sales	0213	
Tax-In Gross	0214	
Consignment Sales	0215	
Artistic/Cultural Activities	0216	
Presc. Drugs Sold by Pub. Oper./Nonprofit Hospitals	0217	
Other (Explain):	0299	
TOTAL		
Line 16 - Retail Sales Tax	I.D.	Amount
Bad Debts	0101	
Cash & Trade Discounts	0102	
Interstate & Foreign Sales	0104	
Tax-In Gross	0114	
Sales to U.S. Government	0118	
Motor Vehicle Fuel Sales	0119	
Prescription Drugs/Hearing Aids/Lenses, etc.	0121	
Exempt Food Sales	0122	
Qualified Nonresidents Sales	0123	
Trade-In Allowance	0124	
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	
Retires & Allowances	0131	
Sales to Nonprofit Organizations of Artists/Cultural Art Objects for Displays	0132	
Ride-Sharing Vans	0134	
Prebred Live Stock for Breeding	0135	
Tax Deferral Investment Certificate No. _____	0136	
Sale of Manufacturing Mach/Equip.; Install Labor	0156	
Die of Pay Payments	0170	
Other (Explain):	0199	
TOTAL		
Line 50 - 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 Deducted From Distribution of Water Through Irrigation Systems	6041	
Other (Explain):	6099	
TOTAL		
Line 51 - 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		

Line 52 - 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 Expended to Improve Consumer's Efficiency of Energy	4942	
Low Density/Wholesale Power Costs	4947	
Sales to Electrolytic Processors	4961	
Other (Explain):	4999	
TOTAL		
Line 53 - 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 54 - Motor Transportation; Railroad...	I.D.	Amount
Bad Debts	0801	
Cash & Trade Discounts	0802	
Interstate & Foreign Sales	0804	
Amounts Paid to Another for Services Jointly Provided	0839	
Other (Explain):	0899	
TOTAL		
Line 55 - Urban Transportation; Vehicle...	I.D.	Amount
Bad Debts	1201	
Cash & Trade Discounts	1202	
Interstate & Foreign Sales	1204	
Amounts Paid to Another for Services Jointly Provided	1239	
Other (Explain):	1299	
TOTAL		
Line 56 - 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 57 - Tobacco Products	I.D.	Amount
Interstate & Foreign Sales	2004	
Sales to U.S. Government	2018	
Returned/Destroyed Goods	2043	
Other (Explain):	2099	
TOTAL		
Line 58 - 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 59 - Petroleum Tax	I.D.	Amount
Petroleum Products Exported Out of State	5745	
Other (Explain):	5799	
TOTAL		
Line 60 - Hazardous Substance	I.D.	Amount
Other (Explain):	6699	
TOTAL		

July 2004

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Attachment B

Combined Excise Tax Return

SAMPLE TAX RETURN

ONLY Fill in Box if Amended Return Information Attached

NAME John Smith TAX REGISTRATION NO. 602 001 XXXX
 FIRM NAME John's Booth
 STREET ADDRESS _____
 CITY, STATE, ZIP Seattle, WA 98101

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

Please fill in the appropriate box and note address change code (e).

Use Black Ink & Return The Original Form

I STATE BUSINESS AND OCCUPATION TAX

Line No.	Tax Classification	Code	Column 1 Gross Amount	Col. 2 Deduction of Totals from Pgs. 2 & 4	Column 3 Taxable Amount	Col. 4 Rate	Column 6 Tax Due	
1	Extracting, Extracting for Hire	16				.00484		
2	Slaughter, Break Proc, Pouch Meats/Hides, Mfg Wheat into Flour, Raw Seafood, Soybean & Canola Proc	30				.00138		
3	Travel Agent Com/Fair Operators, Int'l Charter Freight Broker, Steamship, Air carrier/Ret of Air Carrier	28				.00275		
4	Insurance Agents; Insurance Brokers Com/mts	14				.00484		
5	Preparation/Drug Warehousing Mfg Fresh Fruit/Veg, Dairy Products, Breads/Bakery/Food, or Spill Proc Dead/Pres	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, Pkg & TV Broadcasting, Public Rd Const, Gov Contracting, Chem/Dependency Cr (after 7/28/03)	11				.00484		
11	Public or Nonprofit Hospitals	95				.015		
12	Cleanup of Radioactive Waste for US Gov	83				.00471		
13	Service & Other Activities	04	1,700.00		1,700.00	.015	26.00	
14	Retailing of Inherently Transportation Equip	19				.00484		
15	Retailing	02	700.00		700.00	.00471	3.30	
GROSS AMOUNTS FOR RETAILING AND RETAIL SALES MUST BE THE SAME							TOTAL B&O TAX	29.30

* Deductions taken but not itemized on pages 2 and 4 will be disallowed.

II STATE SALES AND USE TAX

16	Retail Sales (also complete local tax section II)	01	700.00		700.00	.065	46.00
17	Use Tax/Deferred Sales Tax (also complete local tax section II)	05				.065	
TOTAL STATE SALES & USE TAX							46.00

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	1726	700.00	.019	13.30
19				
20				
21				
22				
TOTAL TAXABLE		700.00	TOTAL	13.30

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				
TOTAL VALUE OF ARTICLES			TOTAL	

Line No.	Tax Classification	Code	Taxable Amount	Rate	Tax Due
25	Motor Vehicle Sales Tax	120		.003	
26	Region Transit Authority (RTA)	89	700.00	.004	3.00
27	King County Food & Bev	90		.005	
28	Liter Tax	36	200.00	.00016	0.03

If you have no business activity, check the box and mail this return (unless filed otherwise).

DUE DATE: August 20, 2004
 * 5% Penalty Assessed After August 20, 2004
 15% Penalty Assessed After September 30, 2004
 25% Penalty Assessed After November 1, 2004
 If the due date falls on a weekend or legal holiday, the due date is extended to the next business day.

Please make check or money order payable to the Washington State Department of Revenue. Include your tax registration number on your check. Do not mail cash or coins.
 For assistance, call (800) 647-7705.

Signature _____ Date _____
 Preparer () _____ Date _____

Line No.	Item	VIII TOTALS
29	Total All Tax Due from page 1	91.30
30	Total All Tax Due from page 2	
31	Total All Addendums (Example: Rental Car Addendum)	
32	Subtotal (add lines 29-31)	91.30
33	Credit (from page 2, section VII), total credit	29.00
34	Subtotal (subtract line 33 from line 32)	62.30
35	Add Penalty, if applicable *	Minimum \$0.00
TOTAL AMOUNT OWED (add lines 34-35)		62.30

IV LODGING TAXES

TRANSIENT RENTAL INCOME INFORMATION Code 47				TOURISM PROMOTION AREA LODGING CHARGE Code 170				
Line No.	Location Code	Income		Line No.	Location Code	Number of Units/Day's	Unit/Day Rate Charged	Total Charge Due
36				40				
37				41				
38				42				
39				43				

(enter location code and income only) TOTAL TOURISM PROMOTION AREA LODGING CHARGE

CONVENTION AND TRADE CENTER TAX Code 48				
Line No.	Location Code	Taxable Amount	Rate	Tax Due
44				
45				
46				

TOTAL CONVENTION & TRADE CENTER TAX

SPECIAL HOTEL/MOTEL TAX Code 70				
Line No.	Location Code	Taxable Amount	Rate	Tax Due
47				
48				
49				

TOTAL SPECIAL HOTEL/MOTEL TAX

V STATE PUBLIC UTILITY TAX

Line No.	Tax Classification	Code	Column 1 Gross Amount	Col. 2 Deduction of Total from Pg. 4	Column 3** Taxable Amount	Col. 4 Rate	Column 6 Tax Due
50	Water Distribution	60				.08029	
51	Sewer Collection	61				.03852	
52	Power	49				.03373	
53	Gas Distribution; Telegraph	26				.03852	
54	Motor Transportation; Railroad; Railroad Car	08				.01926	
55	Urban Transportation; Vessels Under 65 ft	12				.00642	
56	Other Public Service Business	13				.01926	

* If taxable amounts on line 60-66 column 2 total less than \$2,000, no Public Utility Tax is due. TOTAL STATE PUBLIC UTILITY TAX

VI OTHER TAXES

Line No.	Tax Classification	Code	Column 1 Gross Amount	Col. 2 Deduction of Total from Pg. 4	Column 3 Taxable Amount	Col. 4 Rate	Column 6 Tax Due	
57	Tobacco Products	20				1.2942		
58	Refuse Collection	64				.036		
59	Petroleum Products Tax	57	Temporarily Not Due - Fund Limit Reached				.005	
60	Hazardous Substance	65				.007		
61	MIR	79				.06		

Line No.	Tax Classification	Code	Item	Quantity Sold	Rate	Tax Due
62	Solid Fuel Burning Device Fee	59	Number of Stoves, Fireplaces, & Solid Fuel Burning Devices:		\$30.00	
63	Syrup Tax	54	Number of Gallons (whole numbers only):		\$1.00	
64	State Enhanced 911, TRS, & WTAP	93	Number of Taxable Switched Access Lines:		.47	
64b	(Wireless) State Enhanced 911 Tax	94	Number of Taxable Radio Access Lines (Wireless):		.20	

Line No.	Tax Classification	Code	Item	Number of Day's	Rate	Tax Due
65	Domestic Respite Fee for Nursing Facility Operators	78	Total Number of Patient Days Less Medicare Days:		\$6.50	

* Deductions taken but not itemized on page 4 will be disallowed.

TOTAL OTHER TAXES (Add lines 57-65)

NEED HELP?

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

- Get tax return information and instructions, penalty waiver information, and more.
- Click on FORMS to access forms including the Local Sales and Use Tax Addendum, and other tax-related forms.
- To update your account information or to close your account with the Department of Revenue, click on CONTACT US.

Telephone Assistance

- Call the Department of Revenue office nearest you or 1-800-647-7705.
- To file a No Business Activity return by telephone, call 1-800-647-7705. Enter code 111 and follow these steps: 1) Enter your 9-digit tax registration number; 2) Verify the number entered; 3) Enter 73;
- Respond to pre-recorded questions to file your return over the telephone. Do not mail paper returns back to the department.
- For penalty waiver criteria information, call 1-800-334-8969 and enter code 429.
- For taxless rebate information, call 1-800-334-8969 and enter code 430.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-0715. Tele type (TTY) users may call 1-800-451-7085.

VII CREDITS

Line No.	Credit Classification	Credit I.D.	Amount
66	Multiple Activities Tax Credit (attach Schedule C)	800	
67	High Technology Credit (attach Research & Development Credit Affidavit)	830	
68	Manufacturing Software; Programming Rural Employment B&O Credit	860	
69	Help Desk Services B&O Credit	865	
70	Alternatives to Field Burning B&O Credit	875	
71	International Services Credit	885	
72	Small Business B&O Tax Credit (go to http://dor.wa.gov)	815	29 00
73	Electric Utility Rural Economic Development Revolving Fund Public Utility Tax Credit	870	
74	Bad Debt Tax Credit (attach Schedule B)	801	
75	Hazardous Substance	805	
76	Public Utility Tax Credit for Billing Discounts/Qualified Contributions less Low Income Home Energy Assistance Fund	880	
77	Other Credits (attach appropriate documents)	810	

TOTAL CREDIT (transfer to page 1, line 33)

29 00

July 2004

Deduction Detail

07
04

- If you have deductions, return pages 3 and 4. 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, Tax Registration Number and Attach to Combined Excise Tax Return.

▶ Name _____

▶ Tax Registration No. _____

Line 1 - Extracting, Extracting for Hire	I.D.	Amount
Bad Debt	1001	
Cash & Trade Discounts	1002	
Other (Explain):	1099	
TOTAL		
Line 2 - Slaughter, Break Processing...	I.D.	Amount
Bad Debt	2001	
Cash & Trade Discounts	2002	
Other (Explain):	2099	
TOTAL		
Line 3 - Travel Agent Com ; Int Charter...	I.D.	Amount
Bad Debt	2001	
Cash & Trade Discounts	2002	
Other (Explain):	2099	
TOTAL		
Line 4 - Insurance Agents; Insurance ...	I.D.	Amount
Bad Debt	1401	
Other (Explain):	1499	
TOTAL		
Line 5 - Manufacturing Fresh Fruits and...	I.D.	Amount
Bad Debt	2101	
Cash & Trade Discounts	2102	
Freight on Out of State Deliveries	2103	
Interstate & Foreign Sales (Use for Prescription Drug Wholesale Only)	2104	
Advances Reimbursements; Rtns & Allowances	2107	
Other (Explain):	2199	
TOTAL		
Line 6 - Processing for Hire; Printing and...	I.D.	Amount
Bad Debt	1001	
Cash & Trade Discounts	1002	
Freight on Out of State Deliveries	1003	
Advances Reimbursements; Rtns & Allowances	1007	
Other (Explain):	1099	
TOTAL		
Line 7 - Manufacturing	I.D.	Amount
Bad Debt	0701	
Cash & Trade Discounts	0702	
Freight on Out of State Deliveries	0703	
Advances Reimbursements; Rtns & Allowances	0707	
Other (Explain):	0799	
TOTAL		
Line 8 - Royalties; Child Care	I.D.	Amount
Bad Debt	8001	
Cash & Trade Discounts	8002	
Advances Reimbursements; Rtns & Allowances	8007	
Other (Explain):	8099	
TOTAL		

Line 9 - Wholesaling	I.D.	Amount
Bad Debt	0301	
Cash & Trade Discounts	0302	
Interstate & Foreign Sales	0304	
Motor/Vehicle Fuel Tax	0305	
Casual Sales; Accommodation Sales	0306	
Advances Reimbursements; Rtns & Allowances	0307	
No Local Activity	0308	
Other (Explain):	0399	
TOTAL		
Line 10 - Warehousing; Radio & TV...	I.D.	Amount
Bad Debt	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 Debt	5501	
Cash & Trade Discounts	5502	
Advances Reimbursements; Rtns & Allowances	5507	
Other (Explain):	5599	
TOTAL		
Line 12 - Cleanup of Radioactive Waste...	I.D.	Amount
Bad Debt	8301	
Cash & Trade Discounts	8302	
Interstate & Foreign Sales	8304	
Advances Reimbursements; Rtns & Allowances	8307	
Other (Explain):	8399	
TOTAL		
Line 13 - Service & Other Activities	I.D.	Amount
Bad Debt	0401	
Cash & Trade Discounts	0402	
Interstate & Foreign Sales	0404	
Advances Reimbursements; Rtns & Allowances	0407	
Gambling; Prize; Cash Pay-Offs	0410	
Certain Litigation Fees; Dues; Contributions	0411	
Interest on Certain Investments/Obligations	0412	
Artistic/Cultural Activities	0416	
Other (Explain):	0499	
TOTAL		
Line 14 - Retailing of Interstate Transport...	I.D.	Amount
Bad Debt	1901	
Cash & Trade Discounts	1902	
Interstate & Foreign Sales	1904	
Advances Reimbursements; Rtns & Allowances	1907	
Consignment Sales	1915	
Other (Explain):	1999	
TOTAL		

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

Line 15 - Retailing (E&O)	I.D.	Amount
Bad Debt	0201	
Cash & Trade Discounts	0202	
Interstate & Foreign Sales	0204	
Motor Vehicle Fuel Tax	0205	
Advances, Reimbursements, Retires & Allowances	0207	
No Local Activity	0208	
Cash Sales; Accommodation Sales	0213	
Tax In Gross	0214	
Consignment Sales	0215	
Artistic/Cultural Activities	0216	
Presc. Drugs Sold by Pub. Oper./Nonprofit Hospitals	0217	
Other (Explain):	0299	
TOTAL		
Line 16 - Retail Sales Tax	I.D.	Amount
Bad Debt	0101	
Cash & Trade Discounts	0102	
Interstate & Foreign Sales	0104	
Tax In Gross	0114	
Sales to U.S. Government	0118	
Motor Vehicle Fuel Sales	0119	
Prescription Drugs/Hearing Aids/Leases/etc	0121	
Exempt Food Sales	0122	
Qualified Nonresident Sales	0123	
Trade-In Allowance	0124	
Newspapers	0125	
Certain Network Telephone Service	0126	
Sales to Indians with Debit on the Reservation	0128	
Sales of Feed to Farm Animals	0129	
Taxable Amount for Tax Paid at Source	0130	
Retires & Allowances	0131	
Sales to Nonprofit Organizations of Artistic/Cultural Art Objects for Displays	0132	
Ride-Sharing Vans	0134	
Permitted Livestock for Breeding	0135	
Tax Deferral/Investment Certificate No.	0136	
Sale of Manufacturing Mach/Equip; Install Labor	0166	
Direct Pay Payment	0170	
Other (Explain):	0199	
TOTAL		
Line 50 - Water Distribution	I.D.	Amount
Bad Debt	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	
Other (Explain):	6099	
TOTAL		
Line 51 - Sewer Collection	I.D.	Amount
Bad Debt	6101	
Cash & Trade Discounts	6102	
Amounts Paid to Another for Services Jointly Provided	6139	
Other (Explain):	6199	
TOTAL		

Line 52 - Power	I.D.	Amount
Bad Debt	4901	
Cash & Trade Discounts	4902	
Interstate & Foreign Sales	4904	
Amounts Paid to Another for Services Jointly Provided	4939	
Amounts Expended to Improve Consumer's Efficiency of Energy	4942	
Low Density/Wholesale Power Costs	4947	
Sales to Electrolytic Processors	4961	
Other (Explain):	4999	
TOTAL		
Line 53 - Gas Distribution; Telegraph	I.D.	Amount
Bad Debt	2601	
Cash & Trade Discounts	2602	
Interstate & Foreign Sales	2604	
Amounts Paid to Another for Services Jointly Provided	2639	
Other (Explain):	2699	
TOTAL		
Line 54 - Motor Transportation; Railroad...	I.D.	Amount
Bad Debt	0801	
Cash & Trade Discounts	0802	
Interstate & Foreign Sales	0804	
Amounts Paid to Another for Services Jointly Provided	0839	
Other (Explain):	0899	
TOTAL		
Line 55 - Urban Transportation; Vehicle...	I.D.	Amount
Bad Debt	1201	
Cash & Trade Discounts	1202	
Interstate & Foreign Sales	1204	
Amounts Paid to Another for Services Jointly Provided	1239	
Other (Explain):	1299	
TOTAL		
Line 56 - Other Public Service Business	I.D.	Amount
Bad Debt	1301	
Cash & Trade Discounts	1302	
Interstate & Foreign Sales	1304	
Amounts Paid to Another for Services Jointly Provided	1339	
Other (Explain):	1399	
TOTAL		
Line 57 - Tobacco Products	I.D.	Amount
Interstate & Foreign Sales	2004	
Sales to U.S. Government	2018	
Returned/Destroyed Goods	2043	
Other (Explain):	2099	
TOTAL		
Line 58 - Refuse Collection	I.D.	Amount
Bad Debt	6401	
Sales to U.S. Government	6418	
Sales to Other Refuse/Solid Waste Collectors	6445	
Other (Explain):	6499	
TOTAL		
Line 59 - Petroleum Tax	I.D.	Amount
Petroleum Products Exported Out of State	5746	
Other (Explain):	5799	
TOTAL		
Line 60 - Hazardous Substance	I.D.	Amount
Other (Explain):	6599	
TOTAL		

RECORD KEEPING REQUIREMENTS

Beauty salons must keep complete and adequate records from which the Department of Revenue may determine any tax for which the salon is liable.

Time Limit:

The Department of Revenue requires that records be kept for the current year plus four years. In 2004, for example, records should be kept back to January 1, 2000. In 2005, records should be kept back to January 1, 2001.

Required Records:

- ◆ Federal income tax returns
- ◆ Washington excise tax returns

Suggested records:

- ◆ General and subsidiary ledgers
- ◆ Sales and/or cash receipts journals
- ◆ Sales invoices
- ◆ Purchase/cash disbursement journals
- ◆ Purchase invoices for assets and expense items
- ◆ Financial statements
- ◆ Resale certificate for wholesale sales
- ◆ Documentation for any exemption claimed or given and any deductions taken.

Reference:

WAC 458-20-254

DEPARTMENT SERVICES

The Department of Revenue offers many services to make reporting your taxes as convenient as possible. We conduct workshops, provide personal and telephone assistance, and produce a wide range of publications to make working with us simpler. Please contact us if you need help.

GENERAL SERVICES

Tax Express: You can get answers to the most common tax questions 24 hours a day, seven days a week by calling the Tax Express prerecorded information system. To access Tax Express, call 1-800-334-8969 from a touch-tone telephone. Then enter the three-digit code which corresponds to the topic that interests you. For a list of topics, dial code 500.

Fast Fax: The Department's Fast Fax allows you to select from 100+ forms, publications, and administrative rules and have them transmitted directly to your fax machine. To use the system, dial 1-800-647-7706.

Telephone and one-on-one assistance: Get answers to your tax questions, and assistance in registering your business and completing tax returns by calling or visiting your local Revenue office.

Toll-free telephone numbers: If you have questions or need assistance completing tax returns, you may call the Telephone Information Center at 1-800-647-7706. Teletype (TTY) users may call 1-800-451-7985.

Internet web site: Visit the Department's web site at <http://dor.wa.gov> and find publications, forms, the public records and unclaimed property databases, and much more.

Copies of publications, laws and rules: Please contact your local Revenue office, the Telephone Information Center, or visit our web site at <http://dor.wa.gov>.

Research statistics: For copies of research publications, data on tax collections, tax-related statistics on business activity by industry and geographical area, and other statistical information about the state's tax structure, contact the Research Division at (360) 570-6070.

Business Outreach Workshops: To sign up for Revenue's workshops covering business registration, reporting, tax laws and rules, and record keeping requirements, contact your local Revenue office.

Voluntary first-year audits: If you have been in business for at least six months and would like to arrange for a first-year audit to ensure correct reporting and avoid costly mistakes, contact your local Revenue office.

Speakers Bureau: To arrange for a Revenue presenter on topics of interest to your organization, contact the Speakers Bureau Coordinator at (360) 705-6601.

DEPARTMENT SERVICES (continued)

Taxpayer Advocate: For assistance in understanding and accessing your rights in working with the Department of Revenue, call the Taxpayer Advocate at (360) 705-6714.

Media queries: Newspaper, radio and television reporters with questions on Department of Revenue issues, please call the media specialist at (360) 705-6603.

SPECIFIC TAXES AND PROGRAMS

Brokered natural gas tax: Taxpayer Account Administration Division (360) 902-7144.

Business and occupation tax: Contact your local Revenue office or the Telephone Information Center, 1-800-647-7706.

Business and occupation tax credit for new employees: Taxpayer Account Administration Division (360) 902-7175.

Cigarette tax: Special Programs Division, Miscellaneous Tax Section (360) 570-3249.

Commercial fishing tax: Local Revenue office or the Telephone Information Center, 1-800-647-7706.

Corporate withdrawals or dissolutions: Audit Division (360) 725-7557.

Electronic Filing (ELF): Taxpayer Account Administration Division, 1-877-345-3353.

Electronic Funds Transfer program: Taxpayer Account Administration Division (360) 902-7170.

Enhanced food/fish tax: Taxpayer Account Administration Division (360) 902-7128.

Escheats: For information and assistance in administering estates with no heirs, contact the Special Programs Division, Miscellaneous Tax Section (360) 570-3246.

Estate tax: Special Programs Division, Miscellaneous Tax Section (360) 753-5547.

Excise tax refunds: Taxpayer Account Administration Division (360) 902-7151.

Excise tax status letters: Taxpayer Account Administration Division (360) 902-7031.

Forest excise tax: Special Programs Division, Forest Tax Section, 1-800-548-8829.

DEPARTMENT SERVICES (continued)

Hotel/motel special excise tax: Taxpayer Account Administration Division (360) 902-7095.

Leasehold excise tax: Special Programs Division, Miscellaneous Tax Section (360) 570-3231.

Oil spill response and administration tax: Taxpayer Account Administration Division (360) 902-7165.

Property tax education and advisory services:

- ◆ Seminars and training for county personnel (360) 570-5866.
- ◆ County Board of Equalization information and levy calculations (360) 570-5864.
- ◆ County revaluation (360) 570-5862.
- ◆ Taxing districts and code area boundaries and maps (360) 570-5894.

Property tax exemptions:

- ◆ Nonprofit organizations (360) 570-5871.
- ◆ Senior citizens/disabled homeowners exemption and deferral (360) 570-5867.
- ◆ Current use assessment for classified and designated forest land (360) 570-5865.

Property tax general information: To request copies of property tax publications or for other general information, call (360) 570-5900. For information regarding a specific property tax assessment, please contact your local county assessor.

Property tax vessel valuation: For information on watercraft valuation and boat personal property tax and valuation, call (360) 753-1520.

Public utility tax credit for contributions to an electric utility rural economic development revolving fund: Taxpayer Account Administration Division (360) 902-7144.

Real estate excise tax refunds: For information on refunds of the real estate excise tax, contact the Special Programs Division's Miscellaneous Tax Section at (360) 570-5523. For information on the real estate excise tax, please contact the county treasurer's office where the property is located.

Retainage fees: For release of retainage fees on completed public construction projects, call the Audit Division at (360) 570-5979.

Rule hearings: For information on proposed rule changes and Excise Tax Advisories, contact the Legislation and Policy Division at (360) 570-6119.

Sales tax deferrals: Special Programs Division, (360) 570-3278.

DEPARTMENT SERVICES (continued)

State and local retail sales tax: Local Revenue office or the Telephone Information Center at 1-800-647-7706.

Tax appeal questions: Appeals Division (360) 570-6140.

Unclaimed property: For information on abandoned wages, stock dividends and deposits, please contact the Special Programs Division's Miscellaneous Tax Section at 1-800-435-2429.

Use tax: Local Revenue office or the Telephone Information Center at 1-800-647-7706.

OTHER AGENCIES TO CONTACT

When you completed a Master Application, you may have registered your business with the departments of Revenue, Licensing, Labor and Industries, Employment Security, and the Office of the Secretary of State. Several federal, state, and local agencies have specific licensing and reporting requirements which may apply to your business. If you need more information, please contact the appropriate agency listed below.

Licensing

Certain business activities require special registration or agency authorization. These include selling liquor, cigarettes, and lottery tickets. The Master Application contains general information on special requirements and how to obtain them. You can receive information about the licenses you may need for your business from the Department of Licensing. You may also order a customized licensing packet. The packet includes information on licensing requirements, referrals to related federal, state, and local agencies, application forms tailored to your business type, and the booklet *Operating a Business in Washington State*. The Department of Licensing also registers trade names for sole proprietorships and general partnerships.

Business and Professions
Department of Licensing
PO Box 48001
Olympia WA 98504-8001
(360) 664-1400
<http://www.wa.gov/dol>

Labor and Industries

If you employ one or more persons, you must apply for industrial insurance coverage with the Washington State Department of Labor and Industries. Industrial insurance is not required for business owners, but those who want it can complete an application for employer coverage. To apply for industrial insurance or request more information, please look for the nearest Labor and Industries location in the state government listings of your telephone book.

Employer Services
Department of Labor and Industries
PO Box 44140
Olympia WA 98504-4140
(360) 902-4817
<http://www.wa.gov/lni>

OTHER AGENCIES TO CONTACT (continued)

Employment Security

If you have any employees, you must also apply for unemployment insurance coverage with the Washington State Department of Employment Security. For the Employment Security district tax office nearest you.

Status Unit
Department of Employment Security
PO Box 9046
Olympia WA 98507-9046
(360) 902-9360
<http://www.wa.gov/esd>

Secretary of State

Contact the Secretary of State's office to file Articles of Incorporation or a Certificate of Limited Partnership if your business has either type of ownership. The Secretary of State also registers trademarks, as well as trade names for corporations and limited partnerships.

Corporations Division
Secretary of State
PO Box 40234
Olympia WA 98504-0234
(360) 753-7115
<http://www.secstate.wa.gov>

Internal Revenue Service (IRS)

If you pay employment taxes, such as industrial and unemployment insurance, you need to have a Federal Employer Identification Number (FEIN). In some special cases, businesses without employees may be required to obtain a FEIN. The Internal Revenue Service also offers workshops and other taxpayer education services.

IRS contacts:

Business Tax Kit	(800) 829-3676
Information	(800) 829-1040
Forms	(800) 829-3676
Fax-on-demand	(703) 487-4160
Teletax	(800) 829-4477

<http://www.irs.ustreas.gov>

OTHER AGENCIES TO CONTACT (continued)

City and County Taxing Offices

If your city or county has business taxes and you are located within the city limits, you will need to register with the city taxing authority, such as the city auditor. Businesses located outside city limits should register with the county taxing authority, such as the county clerk's office. Also, remember to contact your county assessor as soon as your business opens. Businesses are required to report personal property — assets used in the operation of a business — to the assessor. Personal property includes furniture, office equipment, machines, and supplies used in the course of doing business. Check your local telephone directory for the location of these offices.

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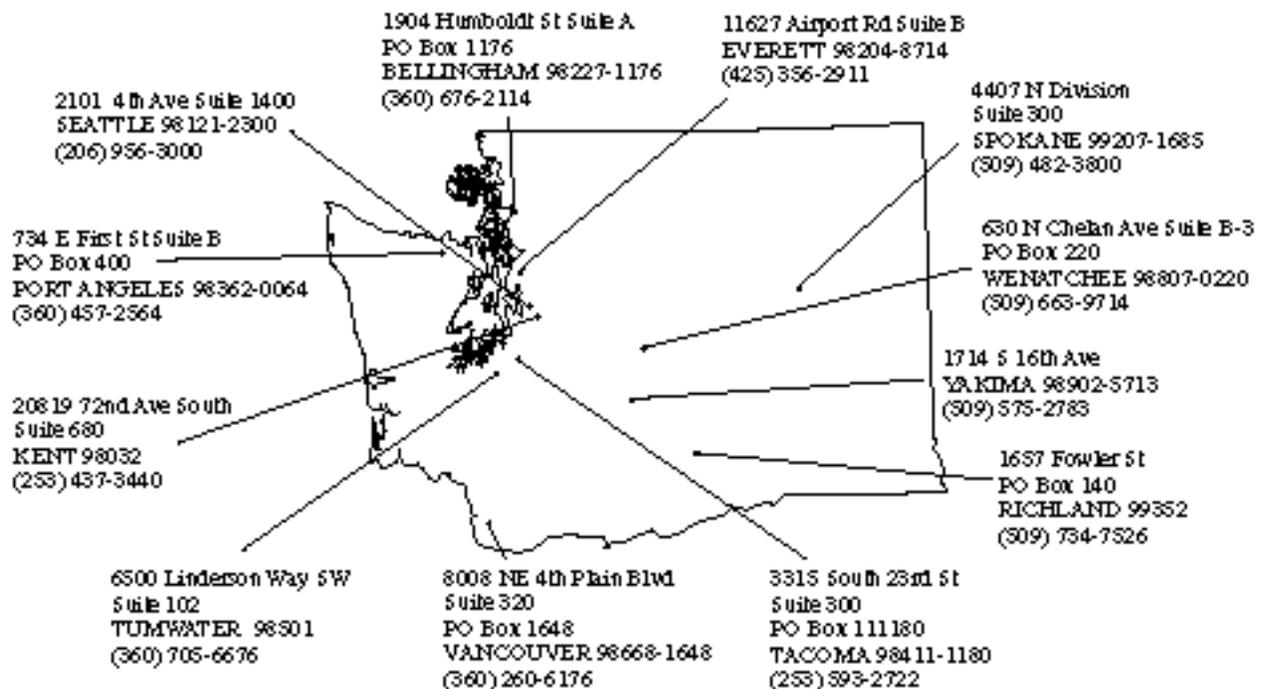
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Department of Revenue Taxpayer Assistance



<http://dor.wa.gov>

Local Office Locations



Telephone Information Center 1-800-647-7706

To inquire about the availability of this publication in an alternate format for the visually impaired, please call (360) 705-6715.
Teletype (TTY) users please call 1-800-451-7985.



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