

CITY OF RENTON MUTI-PURPOSE TAX RETURN GENERAL INSTRUCTIONS

GENERAL INFORMATION: Every person, firm, association or corporation engaging in business activities in the City, unless otherwise exempted, is subject to taxation and must file a tax return under the appropriate tax classifications. The City of Renton administers business & occupation taxes (gross receipts tax). In addition, the City administers taxes on admissions, gambling activities, and utility business and occupation activities. Descriptions of the various tax classifications and allowable deductions are provided in Title 5 Chapter 26 of the Renton Municipal Code (RMC). In addition, the City publishes a pamphlet entitled "Guide to the City's Business & Occupation Tax". The pamphlet provides general filing information regarding common types of businesses. If you have any questions or would like to request a copy of the Guide please contact the Tax & License Division at (425) 430-6851, or find it online at <https://rentonwa.gov/taxandlicense>

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

UTILITY & OTHER TAXES: Following is a brief synopsis of other taxes that may apply to your business:

- **Utility Taxes:** This tax is similar to the gross receipts tax, but it is imposed on utility businesses. Businesses engaging in the following activities are subject to these taxes: telephone, cellular, gas, electric, water, sewerage, drainage, cable TV and garbage.
- **Admission Tax:** This tax is levied upon admission charges for entrance to an event or establishment. It is collected for the City by the business charging the admission, similar to the sales tax. The admission tax is computed on the admission price.
- **Gambling Taxes:** All persons licensed by the Washington State Gambling Commission to conduct gambling activities in the City are required to pay gambling taxes. Gambling activities include: bingo games, raffles, cards, amusement games, punchboards and pull-tabs.

CALCULATING YOUR TAX LIABILITY: If you claim a deduction, a Multiple Activities Tax Credit, and/or you apportion income that is taxable under the Service and Other gross receipts tax classification, you must include the appropriate schedule form with your return. If a required form is not provided, the deduction, credit, or apportioned amounts will be denied.

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

- **Column 2:** Enter your gross receipts on the appropriate tax classification line.
- **Column 3:** Complete & submit Schedule D (Deduction Detail) with your return if you have any allowable deductions. Enter amounts of any deduction that you are entitled to for each tax classification.

- **Column 4:** Subtract the values entered in Column 3 from those entered in Column 2, and enter the results in Column 4. Sub-total the Gross Receipts amounts and enter on Line 11.
- **Column 6:** If the gross receipts sub-total amount on Line 11, Column 4 is less than the **\$500,000 annual threshold** level, enter "0" on Line 11 in Column 6. If the gross receipts sub-total amount is greater than the **\$500,000 annual threshold**, multiply each line item in Column 4 by the tax rate listed in Column 5. Enter the results for each line in Column 6.

Note: See RMC 5-25 for tax credit requirements.

SECTION 2 & 3: Complete Section 2 & 3 if your business generates gross receipts on admissions, gambling and/ or utility activities. Refer to RMC Title 5 for detailed descriptions of the various tax classifications and allowed deductions for certain business activities. Determine which tax classification(s) relate to your business activity. Businesses conducting several types of activities may report in more than one tax classification.

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

TAX SUB-TOTALS: Calculate and enter Tax Sub-totals from Sections 1 (Gross Receipts Tax), 2 (Utility Taxes) and 3 (Other Taxes) in the field provided beside Tax Sub-Totals.

PENALTIES: Calculate the penalty on the amount reported in the TAX SUB-TOTALS and enter the penalty amount in the field provided. Penalty is calculated as follows:
If not paid by the due date penalty is 9% (\$5 minimum)
If not paid on or before the last day of the month following the due date penalty is 19% (\$5 minimum)
If not paid on or before the last day of 2nd month following the due date penalty is 29% (\$5 minimum)

INTEREST: Calculate interest in accordance with RMC 5-26 and enter the amount in the field provided.

TOTAL DUE: Add Total Tax, Penalty, and Interest, and enter the result in the field provided. Then, please print name, title, phone, email, sign and date your return, and remit back with the appropriate forms and payment.

REPORTING FREQUENCY: Tax payments are due on or before the last day of the month following the end of the reporting period covered by the return. Tax returns must be filed by the due date whether or not any tax is owed. Monthly filers are only classified as monthly for Utility or Other Taxes B&O taxes are required to be reported on an Annual or Quarterly basis as specified by the department.