



January 2019

Dear Business Owner:

It is time to complete your 2018 Business & Occupation Tax Report with the City of Bainbridge Island. This packet contains your 2018 Business & Occupation Tax Report form.

For your Business & Occupation Tax Report, reporting year 2018:

- If your 2018 gross receipts in the State of Washington were less than \$100,000, you are exempted from filing your B&O Tax Report. To take the exemption, complete and sign Section 1 of the report, "Qualification for Exemption from Filing a 2018 B&O Tax Report," at the top of the reporting form. Return the form to the address provided.
- If your 2018 gross receipts in the State of Washington were more than \$100,000, you must complete Section 2 of the report, "Business & Occupation Tax Reporting," even if no tax is owed.
- If your 2018 gross receipts on Bainbridge Island were more than \$150,000, you must pay 1/10 of 1% on the amount exceeding \$150,000. The B&O Tax Report form is designed to help you work through these calculations.
- If your business has closed, you remain subject to B&O taxes on your 2018 gross revenue.
- Nonprofit Organizations are subject to B&O taxes on any for-profit business activity.

Your Business & Occupation Tax Report is due by Thursday, February 28, 2019, to avoid penalty charges. Please contact the City at (206) 780-8591 or finance@bainbridgewa.gov, if you have any questions.

Respectfully,
Finance & Administrative Services
City of Bainbridge Island



CITY OF
BAINBRIDGE ISLAND

2018 City Business & Occupation Tax Report

Tax Return for All Businesses Except Commercial Parking Lots

Due Date	Reporting Period
February 28, 2019	January 01 – December 31, 2018

Business Name:	UBI#:
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Section 1: Qualification for Exemption from Filing a 2018 B&O Tax Report

Qualification: If your business received less than \$100,000 in gross revenue in the State of Washington during 2018, you are exempt from filing a B&O Tax Report provided you complete the following certification:

Certification: 2018 Gross Revenue:

Note: The \$100,000 gross revenue threshold includes ALL revenue received in the State of Washington, not only revenue specific to Bainbridge Island. This box must show the amount of 2018 gross revenue in order to exempt you from the requirements to file a B&O Tax Report.

The undersigned certifies under penalty of perjury under the laws of the State of Washington that the above-named business received less than \$100,000 in gross revenue in 2018 and that the amount of gross revenue shown in the above box is correct.

Signed: _____ Title: _____ Date: _____

Section 2: Business & Occupation Tax Reporting (Complete this section if your gross revenue in Washington State is more than \$100,000.)

Section 2a: Gross Annual Receipts

Line #		
1	Enter your WA State Gross Receipts.	
2	Enter your WA State allowable deductions.	
3	Subtract Line 2 from Line 1. This is your Total Revenue Taxable by the State.	▶
4	Of your Total Revenue Taxable by the State (Line 3), enter your Total Gross Receipts made on Bainbridge Island. This is your Total Gross Revenue Taxable by the City.	▶

Section 2b: City Exemptions

	Exemption Classification (See back for exemption definitions.)	Exemption Amount
5	Commercial Parking Lot.	
6	Liquor Sales/Motor Vehicle Fuel Sales.	
7	Temporary Stationary Business.	
8	Other Exempt Activity. List the exempted activity: _____	
9	Out-of-State Sales.	
10	Eligible Gross Receipts Tax on the Same Activity Paid to Other City/Cities. List the city/cities to which taxes paid: _____	
11	Taxable Receipts from Multiple Activities Tax Credit.	
12	Add lines 5 through 11. This is your Total City Exemption.	▶
13	Subtract Line 12 from Line 4. This is your Total Adjusted Gross City Revenue.	▶

Section 2c: Standard City Deduction

14	Enter your Total Adjusted Gross City Revenue (Line 13).	
15	Subtract the standard City deduction.	\$150,000.00
16	This is your Total Revenue Taxable by the City.	▶

Section 2d: Tax, Penalties, and Payments

17	Enter your Total Taxable Revenue by the City (Line 16).	
18	Multiply Line 17 by 0.001 (or 1/10 of 1% of taxable revenue). This is your Total City Tax Due.	▶
19	Add tax penalties. (See back for tax penalties. Minimum penalty = \$5. There is no penalty if no tax is due.)	▶
20	Add Line 18 and 19. This is your Total Tax Owed to the City of Bainbridge Island.	▶

Signature Required

The undersigned hereby certifies under penalty of perjury, under the law of the State of Washington, that the information reported on this form is true and correct to the best of his/her knowledge.

Print Name: _____ Contact Phone or Email: _____

Signature: _____ Date: _____

Mail Tax Report Form and Payment to:

City of Bainbridge Island
280 Madison Ave N
Bainbridge Island, WA 98110

General Instructions
City of Bainbridge Island
Business & Occupation Tax Report
Year Ending December 31, 2018

Section 2: Business & Occupation Tax Reporting General Instructions

A person engaging in business on Bainbridge Island, as defined by [Chapter 5.05](#) of the Bainbridge Island Municipal Code, is required to have a City Business License. The business is subsequently subject to “Business & Occupation Tax” or “gross receipts tax” on the gross receipts of the business. Your Business & Occupation Tax report and payment (if applicable) are due by February 28, 2019, for business covering the previous calendar year. You are required to complete this report if you had taxable receipts in the State of Washington of \$100,000 or more during 2018 even if no tax is owed. The City changed its requirements for Business & Occupations Taxes to comply with State rules beginning January 1, 2005. In the context of this Business & Occupation Tax Report, unless otherwise referenced by the State ‘receipts’ is a generalized term encompassing income, value, and proceeds. **The City retains the right to require proof of any of the figures you submit including the amounts and apportionment of gross receipts, deductions, and exemptions.**

Section 2a: Gross Receipts

For most businesses, amount of the WA State Gross Receipts is the same as reported for the State of Washington Combined Excise Tax Return(s). That is, “Gross Receipts” on this form is the total for 2018 of “Column 1 Gross Amount” on your State form. “Deductions Allowed” on this form is the total for the year in “Column 2 Deduction” on the State form. If your business accounting records do not identify deductions by sales office, the City requires the deductions claimed for Bainbridge Island be no greater than the ratio of deductions to gross receipts claimed for your entire business. “Revenue Taxable by the State” is the total of “Column 3 Taxable Amount” for all of 2018 on your State form.

If you have business locations (offices) both on and off Bainbridge Island, the City does not tax the business of your locations (offices) in other communities.

Section 2b: City Exemptions

The City allows the following exemptions in addition to those allowed by the State. Revenue derived from these sources may be subtracted from your Total Gross Revenue Taxable by the City (except for exemption 7, which calls for a recalculation of some of the figures reported to the State). To claim these exemptions, each exemption and the amount you are claiming must be identified. The City allows the following exemptions:

1. Commercial Parking Lot. Gross receipts derived from a commercial parking lot business, which is subject to the City’s 30% commercial parking lot tax as mandated by [Chapter 5.10](#) of the Bainbridge Island Municipal Code.
2. Liquor Sales/Motor Vehicle Fuel Sales. Gross receipts derived from the sale of liquor as defined by [RCW 66.04.010](#) and exempted under [RCW 66.08.120](#), or from the sale of motor vehicle fuels as defined by [RCW 66.04.010](#) and exempted under [RCW 82.36.440](#) and mandated by [Chapter 5.05](#) of the Bainbridge Island Municipal Code.
3. Temporary Stationary Business. Gross receipts from a “temporary stationary business” as defined by [Chapter 5.40](#) of the Bainbridge Island Municipal Code Note: If the fee was paid for a City business license, the business is not a “temporary stationary business.”
4. Other Exempt Activity. Gross receipts from any other business not subject to taxation by the City as directed by State law as outlined in [Chapter 5.05](#) of the Bainbridge Island Municipal Code. The exempt activity must be identified to claim exemption.
5. Out-of-State Sales. Gross receipts for out-of-state sales for which you receive a tax credit on Schedule C as mandated by [Chapter 5.05](#) of the Bainbridge Island Municipal Code.
6. Eligible Gross Receipts Tax on the Same Activity Paid to Other City/Cities. The amount of eligible gross receipts tax paid to another city for the same activity as defined by [Chapter 5.05](#) of the Bainbridge Island Municipal Code. The city or cities to which you paid the tax must be identified to claim this exemption.
7. Taxable Receipts from Multiple Activities Tax Credit. As determined by [Chapter 5.05](#) of the Bainbridge Island Municipal Code, when reporting the same receipts more than once to the State and having claimed multiple activities tax credit on Part II of Schedule C, deduct the amount of taxable revenue counted twice to reduce the reported gross to the amount of actual gross.

Section 2c: Standard City Deduction

The City allows a \$150,000 annual deduction from your gross receipts under [Chapter 5.05](#) of the Bainbridge Island Municipal Code as mandated by [Resolution No. 99-27](#) and [Ordinance No. 2012-20](#). Only one such deduction is allowed for businesses under common ownership. Businesses are under common ownership if 10% or more of the business is owned or controlled by the same person or group of persons.

Section 2d: Tax, Penalties, and Payment

Payment of your Business & Occupation Tax and Business License Renewal Fee is required on or before February 28, 2019, to avoid penalties.

Business & Occupation Tax Penalties	
Payment received by the City on or before February 28, 2019.	No penalty due.
Payment received by the City before April 1, 2019.	Add 5% of total tax due.
Payment received by the City April 1-30, 2019.	Add 15% of total tax due.
Payment received by the City May 1, 2019, or later.	Add 25% of total tax due.
Minimum penalty on all late returns where tax is due is \$5.00. There is no penalty on late returns with no tax due.	