

TRANSACTION PRIVILEGE (SALES) TAX RETURN INSTRUCTION SHEET

Below is a **SAMPLE** of the Transaction Privilege Tax Return

SUBMIT THE PREPRINTED TAX RETURN SENT TO YOU BY THE CITY OF SCOTTSDALE. THE FORM HAS BEEN SPECIFICALLY DESIGNED TO ACCOMMODATE INTELLIGENT CHARACTER RECOGNITION TECHNOLOGY. THIS TECHNOLOGY ELIMINATES THE MANUAL ENTRY OF TAX REPORTING INFORMATION.

For assistance in preparing the Tax Return call (480) 312-2400.


Report Period to which the report relates.

Barcoding indicates your license number and reporting period for THIS SPECIFIC RETURN ONLY. To ensure proper filing, do not photocopy for use with a different report period or license number.

Bus Class = North American Industrial Classification System for the primary business activity. A return is normally preprinted with this activity based on information provided on your application.

- (1) **GROSS RECEIPTS**
Enter the total gross income including tax collected, applicable to the taxable activity.
- (2) **TOTAL DEDUCTIONS**
Enter the total of all the itemized deduction amounts here (See page 2.)
- (3) **NET TAXABLE**
Compute Net Taxable by subtracting the total deduction from gross receipts

Signature of owner or authorized person.
To be considered filed properly, the return MUST be signed and dated certifying its accuracy.



City of Scottsdale
Customer Service Division
(480) 312-2400
Mail payments to: PO Box 1600
Scottsdale AZ 85252-1600

TRANSACTION PRIVILEGE AND USE TAX RETURN

CITY LICENSE NUMBER	REPORTING PERIOD	DUE BY THE 20TH OF

PLEASE CHECK ALL THAT MAY APPLY:

 Amended Return
 Name Change only
 Mailing Address Change Only
 Cancel License as of _____

SPECIAL NOTICE:

Check here and sign at the bottom if you have no gross receipts to report Check here if you have a change in ownership or service address. An application will be mailed to you.

Business Description	Line	Bus Class	Column 1	Column 2	Column 3	Column 4	Column 5
			Gross	Allowable Sch A pg 2 - Deductions	= Net Taxable	x Tax Rate	= Tax Amount
TRANS PRIV TAX	1		(1)	(2)	(3)	1.65%	
USE TAX	2					1.45%	
BED TAX	3					5.0%	
PRE 7/2004 PRIV	4					1.4%	
DO NOT USE	5	N/A	N/A	N/A	N/A	N/A	N/A
6 ENTER JET FUEL GALLONS IN COLUMN 3						1.8%	
7 SUBTOTAL (Add Lines 1 through 6 in Column 5)							
8 ENTER EXCESS CITY TAX COLLECTED						Plus (+)	
9 GRAND TOTAL						Equals (=)	
10 PENALTY AND INTEREST (See Instructions)						Plus (+)	
11 ENTER TOTAL LIABILITY						Equals (=)	
12 ENTER CREDIT BALANCE (Sch B Total)						Minus (-)	
13 ENTER NET AMOUNT DUE						Equals (=)	
14 ENTER TOTAL AMOUNT PAID							

FOR OFFICE USE ONLY

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Taxpayer's Signature _____	Date _____	Paid Preparer's Signature _____
Print Name _____	Phone # _____	Print Paid Preparer's Name _____

A SIGNATURE IS REQUIRED TO MAKE THE RETURN VALID

Return original with remittance in the envelope provided.
Please make check payable to: CITY OF SCOTTSDALE and list your license number on your check.
Or pay in person at: 7447 E. Indian School Rd. Suite 110

Check any of the boxes that apply to specify an amended return, name change only, mailing address change, or cancelled license.

1.65% Sales Tax Due.
Compute the amount due by multiplying Net Taxable by the current 1.65% tax rate.

1.45% Use Tax Due.
Compute the amount due by multiplying Net Taxable by the current 1.45% tax rate.

Name and phone # of preparer if different from signature.

- Lines 1 & 2: TAX CATEGORY = Preprinted taxable activities from information on your application are displayed here.
- Lines 3, 4 & 5: The EXTRA lines shown in the taxable activity "DO NOT USE" are not applicable for your license type. Do not break out individual taxable activities into subcategories.
- Example: ALL taxable activity for 1.65% sales tax rate should be combined into one total gross receipts amount.
- Line 6: ENTER JET FUEL GALLONS IN COLUMN 3 if applicable
- Line 7: SUBTOTAL = Compute tax due for each taxable activity. Add column 5 lines 1 through 6.
- Line 8: ENTER EXCESS CITY TAX COLLECTED/JET FUEL total: If more City tax was collected than levied, the excess collected must be entered and paid to the City. If Jet Fuel was sold, compute the amount in Schedule B on page 2 of the return, enter the amount collected on this line.
- Line 9: GRAND TOTAL = Add Line 7 and Line 8 to compute the GRAND total tax due.
- Line 10: PENALTY & INTEREST: Enter Penalty & Interest according to instructions on page 2.
- Line 11: ENTER TOTAL LIABILITY: Add Line 9 and Line 10 to compute the TOTAL TAX LIABILITY.
- Line 12: ENTER CREDIT BALANCE = From Schedule B on page 2 of the return, enter total allowable credits by activity and attach documents.
- Line 13: ENTER NET AMOUNT DUE: Subtract Line 12 from Line 11 and enter amount due.
- Line 14: ENTER TOTAL AMOUNT PAID: Enter amount of payment submitting with return.

TRANSACTION PRIVILEGE (SALES) TAX RETURN INSTRUCTION SHEET

Below is a **SAMPLE** of the Transaction Privilege Tax Return

Information regarding timely returns.

Information regarding penalty and interest.

Check list information.

Schedule A
An explanation of Detail of Deductions, Deduction Codes and Descriptions of Deductions.

Total Deductions: All itemized deductions are totaled here and must balance with amount in Column 2 on page 1 of the return.

Schedule B:
Excess Tax - Enter the amounts of tax collected, by activity, which was more than should have been levied.

Enter the total amount on Line 8 on page 1 of the return.

TRANSACTION PRIVILEGE AND USE TAX RETURN		CITY LICENSE NUMBER	REPORTING PERIOD	DUE BY THE 20TH OF
<p>DUE DATE: The due date for the city privilege tax is the 20th of the month following the reporting period. A return is considered timely if received by the last business day of the month. A business day is any day except Saturday, Sunday or a legal city holiday. POSTMARKS ARE NOT EVIDENCE OF TIMELY FILING</p> <p>PENALTIES:</p> <ol style="list-style-type: none"> Failure to File - A penalty of 5% of the tax due will be assessed for each month, or fraction elapsing between the delinquency date of the return and the date on which it is filed. Filing your return on time, whether or not you pay the tax due, will avoid the late filing penalty. Failure to Pay - A penalty of 10% of the unpaid tax will be assessed if the tax is not paid timely. Total Penalty - Total penalties assessed under numbers 1. and 2. will not exceed 25%. <p>INTEREST: Scottsdale's interest rate is the same as the State rate and continues to accrue until taxes are paid. Interest rate tables are available on the City's web site, or you may contact the City at the number shown on this form. The interest MAY NOT be abated by the Tax Collector. CHECK YOUR RETURN: Check the amounts recorded by type of income for each line item as follows.</p> <ul style="list-style-type: none"> Itemized deductions equal the total deductions recorded. Taxable income equals gross income less total deductions. Tax due is equal to the amount obtained by applying the preprinted tax rate to the taxable income amount. Total tax due equals tax due plus any excess tax collected. <p style="text-align: center;">FOR ASSISTANCE, CALL: City of Scottsdale (480) 312-2400 FAX (480) 312-4806</p> <p>SCHEDULE A - DETAILS OF DEDUCTIONS: Enter below the deductions and exclusions you used in computing your city transaction privilege tax or use tax. You must keep a detailed record of all deductions and exclusions. Failure to maintain proper documentation and records required by city ordinance may result in their disallowance. A separate detail of city records and documentation must be maintained only when the income, deductions or exemptions are different from state requirements. Please note: Not all deductions are available to all business classifications. Note: The numbers at the top of each column below correspond with the line numbers of the business descriptions listed on the front page.</p> <p>Out-of-State Criteria 1 - Motor Vehicles: Sales of motor vehicles to nonresidents for use out-of-state when vendor delivers out-of-state Out-of-State Criteria 2 - Other Retail: Items for use out-of-state when vendor receives order from out-of-state and vendor delivers out-of-state</p>				
DEDUCTIONS		Code		
		Bus Class TRANS PRIV	Bus Class USE TAX	Bus Class TRANS OCC
		Line 1	Line 2	Line 3
		Line 4	Line 5	Line 6
1. Total Tax collected or factored		E		
2. Bad debts on which tax was paid		D		
RETAIL & PERS. PROP. RENTALS		B		
3. Sales for Resale				
4. Repair, Service, or installation labor		A		
5. Discounts and refunds		C		
6. Sales to qualified health care org.		F		
SALES TO U.S.GOVERNMENT		J		
7. By Retailer 50% deductible				
8. By manufacturer/repairer(100%)		K		
OUT-OF-STATE SALES		L		
9. Motor Vehicles: See Criteria 1 above				
Other Retail: See Criteria 2 above				
CONSTRUCTION CONTRACTING				
10. Reserved				
11. 35% reduction of gross receipts		N		
12. Exempt sub-contracting income		P		
13. Out-of-city Contracting		R		
OTHER DEDUCTIONS				
14. Reserved				
15. Sales of motor vehicle gasoline and use fuel		I		
16. Sales of exempt machinery & equip		S		
17. Prescription drugs/prosthetics		T		
18. Lease > 29 days		X		
Other (explain) _____		O		
Total Deductions: Amounts should balance with column 2 (FRONT)				
SCHEDULE B				
Excess Tax Collected by Activity				
Allowable Credits by Activity				

Schedule B:
Allowable credits by activity:
Enter the previously determined amounts of allowable credits here, by activity.

Enter this amount on Line 12 on page 1 of the return and attach documentation.

TRANSACTION PRIVILEGE AND USE TAX RETURN

CITY LICENSE NUMBER	REPORTING PERIOD	DUE BY THE 20TH OF

DUE DATE: The due date for the city privilege tax is the 20th of the month following the reporting period. A return is considered timely if received by the last business day of the month. A business day is any day except Saturday, Sunday or a legal city holiday.

POSTMARKS ARE NOT EVIDENCE OF TIMELY FILING

PENALTIES:

1. Failure to File - A penalty of 5% of the tax due will be assessed for each month, or fraction elapsing between the delinquency date of the return and the date on which it is filed. Filing your return on time, whether or not you pay the tax due, will avoid the late filing penalty.
2. Failure to Pay - A penalty of 10% of the unpaid tax will be assessed if the tax is not paid timely.
3. Total Penalty - Total penalties assessed under 1. and 2. will not exceed 25%.

INTEREST: Scottsdale's interest rate is the same as the State rate and continues to accrue until taxes are paid. Interest rate tables are available on the City's web site, or you may contact the City at the number shown on this form. The interest MAY NOT be abated by the Tax Collector.

CHECK YOUR RETURN: Check the amounts recorded by type of income for each line item as follows.

- Itemized deductions equal the total deductions recorded.
- Taxable income equals gross income less total deductions.
- Tax due is equal to the amount obtained by applying the preprinted tax rate to the taxable income amount.
- Total tax due equals tax due plus any excess tax collected.

FOR ASSISTANCE, CALL: City of Scottsdale (480) 312-2400 FAX (480) 312-4806

SCHEDULE A - DETAILS OF DEDUCTIONS: Enter below the deductions and exclusions you used in computing your city transaction privilege tax or use tax. You must keep a detailed record of all deductions and exclusions. Failure to maintain proper documentation and records required by city ordinance may result in their disallowance. A separate detail of city records and documentation must be maintained only when the income, deductions or exemptions are different from state requirements. Please note: Not all deductions are available to all business classifications.

NOTE: The line numbers at the top of each column below correspond with the line numbers of the business descriptions listed on the front page.

Out-of-State Criteria 1 - Motor Vehicles: Sales of motor vehicles to nonresidents for use out-of-state when vendor delivers out-of-state

Out-of-State Criteria 2 - Other Retail: Items for use out-of-state when vendor receives order from out-of-state and vendor delivers out-of-state

DEDUCTIONS	Code	Bus Class	Bus Class	Bus Class	Bus Class	Bus Class
		TRANS PRIV	USE TAX	TRANS OCC	DO NOT USE	DO NOT USE
		Line 1	Line 2	Line 3	Line 4	Line 5
1.Total Tax collected or factored	E					N/A
2. Bad debts on which tax was paid	D					N/A
RETAIL & PERS. PROP. RENTALS						
3. Sales for Resale	B					N/A
4. Repair, Service, or installation labor	A					N/A
5. Discounts and refunds	C					N/A
6. Sales to qualified health care org.	F					N/A
SALES TO U.S.GOVERNMENT						
7. By Retailer 50% deductible	J					N/A
8. By manufacturer/repairer(100%)	K					N/A
OUT-OF-STATE SALES						
9.Motor Vehicles: See Criteria 1 above	L					N/A
Other Retail: See Criteria 2 above						
CONSTRUCTION CONTRACTING						
10. Reserved						
11. 35% reduction of gross receipts	N					N/A
12. Exempt sub-contracting income	P					N/A
13. Out-of-city Contracting	R					N/A
OTHER DEDUCTIONS						
14. Reserved						
15. Sales of motor vehicle gasoline and use fuel	I					N/A
16. Sales of exempt machinery & equip	S					N/A
17. Prescription drugs/prosthetics	T					N/A
18. Lease > 29 days	X					N/A
Other (explain) _____	O					N/A
Total Deductions: Amounts should balance with column 2 (FRONT)						N/A

SCHEDULE B

Excess Tax Collected by Activity				
Allowable Credits by Activity				