

**RETAIN FOR FUTURE USE
CITY OF COSMOPOLIS**

INSTRUCTIONS FOR PROCESSING BUSINESS TAX RETURNS

READ CAREFULLY THE INSTRUCTIONS SET FORTH BELOW BEFORE COMPLETING ON YOUR QUARTERLY RETURN OF TAXES LEVIED UNDER SEPARATE CLASSIFICATIONS AS DEFINED IN THE ORDINANCE. BE SURE THAT ALL ENTRIES IN YOUR RETURN ARE TAKEN FROM YOUR BOOKS AND RECORDS.

BUSINESS AND OCCUPATION TAX

PREPARING RETURNS AND REMITTANCE:

Within fifteen days are the close of each quarterly reporting period—that is, January-February-March, April-May-June, etc., send the completed tax return and pay the tax due, by mail or personally, directly to the Finance Director's Office, City Hall, Cosmopolis, Washington. Make checks payable to the CITY OF COSMOPOLIS.

SECTION 1: BUSINESS & OCCUPATION TAX: For the purpose of the tax imposed by Cosmopolis Municipal Code Chapter 3.44, any person whose value of products, gross proceeds of sales, or gross income of the business, subject to the tax after all allowable deductions, is equal to or less than five thousand dollars (\$5,000) in the current quarter, shall file a return, declare no tax due on their return, and submit the return to the Finance Director. The gross receipts and deduction amounts shall be entered on the tax return even though no tax may be due.

COLUMN 1 – BUSINESS CLASSIFICATION:

Complete the lines provided for each type of business activity in which engaged.

COLUMN 2 – GROSS AMOUNT:

The aggregate of the gross amounts to be show in Column 2 must include your gross income for the reporting period under proper classification, whether taxable or not, as shown by the books of the account.

EXTRACTING: If engaged in the business of extracting articles for sale, or for "Commercial use", enter in Column 2 upon the designated line of the total value of all products extracted.

MANUFACTURING: If engaged in the business of manufacturing articles for sale, or delivery, enter in column 2 upon the designed line the total value of all products manufactured.

Total value of products extracted or manufactured must include:

1—Gross proceeds derived from the sale of such products at wholesale and/or retail.

2—Value of such products used by the taxpayer or shipped out of the state or to another person without prior sale. In such cases the value shall be determined by applying the usual selling price obtained by such products when sold to others in similar quantities.

Notes: Persons selling products which have been Extracted or Manufactured by them in the City of Cosmopolis are not required to report the sale of these products under the Wholesale or Retailing classification, but should not report only under Extracting or Manufacturing. In cases where Extracting and Manufacturing are performed by the same taxpayer, the taxpayer then should report under both Extracting and Manufacturing classifications.

WHOLESALE: If engaged in the business of selling at wholesale, enter in Column 2 upon the designated line, the gross proceeds of total sales, regardless of place of sale or delivery.

RETAILING: If engaged in the business of making retail sales of tangible personal property, enter the opposite all other activities the gross proceeds of such retail sales.

CONSTRUCTION CONTRACTORS: Report 100% gross revenues, no Deductions for subcontractors

PROFESSIONAL & ALL OTHER SERVICES: If engaged in the business of rendering services, enter the gross income from providing personal, business, education or other types of services or activity including: amusement, advertising, commission and brokerage, financial, and hotel and local cartage, pick-up and delivery service.

TELEPHONE, ELECTRICITY & REFUSE: Per Cosmopolis Municipal Code 3.04.010, there is imposed upon all persons and corporations providing utility services within the city a tax of six percent of the gross value of the services provided.

COLUMN 3 – DEDUCTIONS:

Enter here upon each appropriate line the amount of allowable deductions from gross proceeds of sales or from gross income as reported in Column 2. In order that these deductions may be allowed, they must be show in detail in the appropriate columns of the schedule headed "Tax Deductions".

The items deductible are as follows:

- (a) Amounts derived from sales made in interstate or foreign commerce. However, interstate commerce means only sales shipped into another state, and does not include amounts derived from sales delivered outside Cosmopolis but within the state. Nor does it include items extracted or manufactured within the city and then shipped into another state.
- (b) Amounts derived from business which the City of Cosmopolis is prohibited from taxing under the Constitution and laws of the United States, the State of Washington, and any amounts collected by the taxpayer as excise taxes.

COLUMN 4 – TAXABLE AMOUNT:

Enter here upon each appropriate line the taxable amount, which is the figure in Column 2 less the figure in Column 3. Total Column 4. If less than \$5,000 gross income, enter \$.00 in total of Column 6.

COLUMN 5 – RATES OF TAX – Per Ordinance.

COLUMN 6 – TAX DUE.

Enter here upon appropriate line the amount of tax due as computed by multiplying the amount shown in Column 4 by the rate of tax applicable.

COLUMN 7 – LEAVE BLANK – DO NOT USE.

LINE 11: Enter the Multiple Activities Tax Credit (if applicable) from Section III.

Send the original copy of the completed return with remittance to the Finance Director, PO Box 2007, Cosmopolis, WA 98537.

Keep a duplicate copy for your file

UTILITY TAX

Complete as per applicable instructions above for each utility classification.

UTILITY TAX AND REPORT DUE: May 1, August 1, November 1 and February 1 for the preceding quarter.

LATE PAYMENTS: Shall be assessed at one percent of the amount due if return is filled late.

INTEREST: Any arrears in the payment of the quarterly tax shall bear interest of 12% per annum from the date due until paid.

SECTION II: EXEMPTION & DEDUCTION DETAIL

Enter the amount of allowable exemptions and/or deductions from gross proceeds from sales or from gross income as reported in Column 2. To be allow, they must be shown in detail in Section II: Exemption & Deduction Detail and comply with Cosmopolis Municipal Code 3.45.100.

Exemptions allowed (CMC 3.45.100)

1. Nonprofit corporations exemptions from federal income tax under code Section 501(c) (3), except for retail sales by these organizations.
2. Public Utilities
3. Investments and dividends from subsidiary corporations.
4. Employees
5. Amounts derived from sale of real estate.
6. Mortgage brokers' third-party provider services trust accounts
7. Sale or distribution of liquor
8. Casual and isolated sales
9. Accommodation sales
10. Taxes collected as trust funds
11. Insurance business
12. Farmers who sell agricultural products that are raised, caught, produced or manufactured by the farmer.