

Gross receipts of One Hundred Twenty Thousand Dollars (\$120,000) annually are not subject to B & O Tax. A return must be submitted reporting Gross Receipts even if no tax is due. **This \$120,000 exemption pertains only to B & O Taxes (Retail, Wholesale & Service Categories).**

Detailed descriptions of the various tax classifications and allowed deductions for certain business activities are provided in the Bremerton Municipal Code, available on our website at <http://www.ci.bremerton.wa.us>. We are also happy to provide you with a copy of the tax code for any type of activity you are interested in by calling our office at (360) 473-5311 or (360) 473-5298. The following summarizes the Code pertaining to each business category.

Retail, Wholesale, Service	Chapter 3.48	Punchboard/Pulltab	Chapter 3.72
Utility Taxes	Chapter 3.50	Card Rooms	Chapter 3.72
Parking Lot	Chapter 3.82	Bingo	Chapter 3.72
Amusement Devices	Chapter 3.74	Raffles/Other Gambling	Chapter 3.72
Amusement Games	Chapter 3.72		

Instructions for completing City of Bremerton Tax Return

- 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.
- Enter your Gross Receipts under the appropriate tax classification (Column 2).
- Enter eligible deductions that you are entitled to for each tax classification (Column 3). See Eligible Deductions section below. Be sure to fill in the section for Type of Deduction and Explanation on the front of form. Unexplained deductions are not allowed. If the deduction space is grayed out, no deductions are available for that classification.
- The first \$120,000 of annual Gross Revenue combined for Retail, Wholesale, and Service is exempt from B&O Tax. If Gross Receipts are \$120,000 or less, you may exempt up to the amount of Gross Receipts for each category. If Gross Receipts are over \$120,000, you may exempt \$120,000 from any category that you have Gross Receipts. If you report quarterly, you may carry any remaining exemption forward until annual Gross Receipts combined exceed \$120,000.
- Subtract the amount entered in Column 3 and Column 4 from the amount entered in Column 2 for each tax classification and enter the difference in Column 5. This is your Taxable Amount.
- Multiply the amount in Column 5 by the rate shown in Column 6 for each tax category and enter the result in Column 7. This is the tax due for each tax category.
- Total the Tax Due (Column 7) and enter the result in the Total of Column 7 box.
- Calculate any penalty due for each tax category and enter the total in the Penalty box of Column 7. The penalty code for each tax category can be found on the front of the form between Column 1 and Column 2. Use the chart below to calculate your appropriate late filing penalty.
- Add the Total Tax Due and any Penalty and enter result in Total Tax and Penalty box of Column 7.
- To see if you are eligible for the Jobs Credit, see separate instructions on our website. Enter the Jobs Credit in the Balance Forward or (Credit) box of Column 7 and subtract from Total Tax and Penalties due.
- Subtract any credits or add any balance forward you may have on your account and enter in Total Due box of Column 7. Remit this amount to the City of Bremerton.

Eligible Deductions

The following is a list of the most common eligible deductions. A more detailed explanation can be found in the applicable tax category Bremerton Municipal Code as shown above.

Cash Discounts	Bad Debts	Returns & Allowances	Motor Vehicle Fuel Sales
Cash Prizes	Merchandise Prizes	Liquor Sales	Revenue for Services Not in the City
Other (explanation required)			

Late Filing and Underpayment Penalties

In order to avoid penalties, a return must be submitted/postmarked by the due date listed on the return. **Even if no tax is due, the Minimum Penalty will apply for failing to file your return in a timely manner.** A return listing a tax due is subject to the tax due times the Penalty Rate or the Minimum Penalty, whichever is greater.

PENALTY RATE TABLE:				CALCULATION TABLE			
CODE	Days Past Due	Penalty Rate	Minimum Penalty	Tax Due	Rate	Tax x Rate	> of Pen. or Min
1	1-30	9%	\$5.00				
	31-60	19%	\$5.00				
	61+	29%	\$5.00				
2	1-30	10%	\$3.00				
	31-60	15%	\$4.00				
	61+	25%	\$5.00				
3	1-30	10%	\$25.00				
	31-60	15%	\$50.00				
	61+	20%	\$75.00				
4	1-30	10%	\$10.00				
	31-60	15%	\$15.00				
	61+	20%	\$20.00				
Total							

(Enter in Penalties box on Form)