



**The City of Port Townsend is simplifying B&O tax filing with our online portal!**

**Step 1. GROSS INCOME.**

Calculate the total Gross Income for ALL business types or classifications that your business engages in (Gross Income is the total amount of money earned by an individual or business before any taxes, deductions or expenses):

BUSINESS TYPE / CLASSIFICATION	GROSS INCOME
Construction	\$
Retail	\$
Wholesale	\$
Printing & Publishing	\$
Service & Other Activities*	\$
Miscellaneous	\$
<b>TOTAL GROSS INCOME</b>	<b>\$</b>

*\*If your business engages in Service & Other Activities, you must first complete the Port Townsend Apportionment Workbook to determine your Gross Income for this business type, and you must upload your completed Apportionment Workbook as a submission with your return.*

**Step 2. DEDUCTIONS.**

Calculate the total deductions applicable to your business:

DEDUCTION DESCRIPTION	DEDUCTION AMOUNT
Revenue from a person’s performance as an employee	- \$
Revenue from insurance sales where a tax on gross premiums is paid to Washington State	- \$
Sales by a farmer or gardener of their own produce	- \$
State-licensed athletic exhibitions or race meets	- \$
Certain gross receipts of fraternal benefit organizations	- \$
Hospitals owned by a government body or religious corporation	- \$
Revenue from the sale, lease or long-term (more than 30 days) rental of real estate (excluding any commissions)	- \$
Certain amounts resulting from the banking, trust or savings and loan business	- \$
Sales, distribution, or manufacturing of motor vehicle fuel	- \$
Liquor sales & distribution (including beer and wine)	- \$
Investment revenue for non-financial businesses	- \$
Bona fide initiation or membership fees, tuition, donations, and contributions to endowment funds & non-profit fundraising income	- \$
Trade or cash discounts taken by customers	- \$
Bad debts incurred by accrual basis taxpayers	- \$
Amounts collected by taxpayers as excise taxes	- \$
Business transactions which federal and/or state laws and constitutions prohibit the City from taxing (must provide documentation as proof)	- \$
<b>TOTAL DEDUCTION AMOUNT</b>	<b>- \$</b>



**Step 3. TAXABLE PORTION OF GROSS INCOME.**

Subtract your Step 2 Total Deduction Amount from your Step 1 Total Gross Income. The result is your Total Taxable Amount:

TOTAL INCOME LESS DEDUCTIONS	AMOUNT
Total Gross Income from Step 1	\$
Less the Total Deduction Amount from Step 2	- \$
<b>TOTAL TAXABLE AMOUNT</b>	<b>\$</b>

**Step 4. TAX AMOUNT.**

Multiply your Step 3 Total Taxable Amount by .002 (the City of Port Townsend’s B&O Tax Rate):

TAXABLE AMOUNT MULTIPLIED BY TAX RATE	AMOUNT
Total Taxable Amount from Step 3	\$
Multiply by City of Port Townsend B&O Tax Rate	x .002:
<b>TOTAL TAX DUE</b>	<b>\$</b>

**Step 5. PENALTY.**

Multiply your Step 4 Total Tax Due by the percentage listed, based on the number of months delinquent, from the tables below. Penalty amount is the greater of the calculated percentage OR a minimum of \$5.00.

B&O TAX FILING PERIODS		
Return Period	Months Covered	Due Date
1 <sup>st</sup> Quarter	January, February, March	April 30 <sup>th</sup>
2 <sup>nd</sup> Quarter	April, May, June	July 31 <sup>st</sup>
3 <sup>rd</sup> Quarter	July, August, September	October 31 <sup>st</sup>
4 <sup>th</sup> Quarter	October, November, December	January 31 <sup>st</sup>
Annual	January – December	April 30 <sup>th</sup>

A penalty is owed on any return that is:

- Not filed with the city by the stated due date (mailed returns must be postmarked by the due date to be considered on time).
- Incomplete (a payment submitted without a tax return form, a tax return form submitted without a payment, or a tax return form that has not been completely filled out).

TOTAL TAX DUE	AMOUNT
Total Tax Due from Step 4	\$
PENALTY AMOUNT	CALCULATION
Up to 1 Month After Due Date	x 9.00% (\$5 Minimum): \$
Up to 2 Months After Due Date	x 19.00% (\$5 Minimum): \$
Up to 3 Months After Due Date	x 29.00% (\$5 Minimum): \$
<b>TOTAL PENALTY AMOUNT</b>	<b>\$</b>



**Step 6. TOTAL DUE.**

Add your Step 4 Total Tax Due plus your Step 5 Total Penalty Amount (if applicable). This will be your Total Due.

TOTAL TAX AMOUNT PLUS PENALTY	AMOUNT
Total Tax Amount from Step 4	\$
Total Penalty Amount from Step 5	\$
<b>TOTAL DUE</b>	<b>\$</b>

Continue through your Business & Occupation Tax Return and double check that the total shown in License Fees is equal to the calculations you have made in the steps prior.

Once you are satisfied that your calculations are accurately reflected in License Fees, click “Submit” on your application.

Scroll to the top to verify that the Current Fees are available to be paid. You may now move on to submitting your payment by Debit/Credit Card or ACH (electronic bank draft/e-check).

Click on “Options” Button on upper right-hand side to move forward with submitting your payment.

Your return is **NOT** complete until you submit the return and make the online payment.