

CITY OF RENTON



SCHEDULE A - SERVICE & OTHER INCOME APPORTIONMENT

ATTACH TO BUSINESS & OCCUPATION TAX RETURN AND MAIL TO:

City of Renton
 Attn: Tax & Licensing, 1st Floor
 1055 S. Grady Way
 Renton, WA 98057

Business Name:		
WA State Unified Business Identifier (UBI)	City Business License Number	Tax Reporting Period (Quarter/Year)

Line No.		Amount
I. Apportionable Gross Service Receipts		
Ia	Enter total companywide gross service receipts	
Ib	Subtract any appropriate deduction allowed in Section 5-25-11 of the Renton City Code <i>enter amount on this line from Schedule C</i>	
Ic	Apportionable service receipts (subtract Line Ib from Line Ia)	\$
II. Payroll Factor*		
IIa	Enter total Renton payroll costs (from workpaper on back)	
IIb	Enter total companywide payroll costs	
IIc	Payroll factor (divide Line IIa by Line IIb) <i>enter amount on this line</i>	
III. Service-Income Factor		
IIIa	Enter total Renton service receipts (from workpaper on back)	
IIIb	Enter total companywide service receipts (same amount as Line Ia)	
IIIc	Service income factor (divide Line IIIa by Line IIIb) <i>enter amount on this line</i>	
IV. Renton Taxable Service Receipts		
IVa	Total apportionment factor (add Lines IIc and IIIc) <i>enter amount on this line</i>	
IVb	Percentage of service income apportioned to Renton (Divide Line IVa by the number 2)*	
IVc	Renton taxable service receipts (multiply Line Ic by Line IVb)	\$
IVd	Renton taxable service receipts Enter amount on this line AND on Business & Occupation Tax Return Line 6 Column 4	\$

FORMULA EXAMPLE:

***Service and Other** income is apportioned to a city by multiplying service income by a **payroll factor** (based on the payroll within the city), plus the **service income factor** (based on the income producing activity attributable for tax purposes within the city), divided by two.

$$\begin{aligned}
 &\text{Total Taxable Service Income} \quad \times \quad \frac{(\text{Payroll Factor} + \text{Service Income Factor})^*}{2} \\
 &\text{Payroll Factor} \quad = \quad \frac{\text{Total Compensation Paid in Renton}}{\text{Total Compensation Paid Companywide}} \\
 &\text{Service Income Factor} \quad = \quad \frac{\text{Total Renton Service Receipts}}{\text{Total Companywide Service Receipts}}
 \end{aligned}$$

*If a business has **no** employees in **any** location, such as a sole proprietorship without any employees, then the payroll factor is zero and the apportionment reverts to a single factor formula using the service factor only. In this case divide the service factor by 1.

Instructions and Workpapers for Schedule A – Service & Other Income Apportionment

I. Apportionable Gross Service Receipts

Line Ia: Please insert the total gross service receipts for your business.

Line Ib: Please insert the amount of gross receipts deductible under Section 5-25-11 of the Renton Municipal Code. Exclude any interstate deduction as this schedule apportions companywide service income.

Line Ic: Subtract Line Ib from Line Ia and enter this amount on Line Ic. This is your total apportionable service receipts.

II. Payroll Factor

Enter the City Payroll for the Following Employees			Payroll Costs
a.	Total payroll for employee(s) whose assigned office or work station is located within the city;	a.	
b.	Total payroll for employee(s) who are not primarily assigned to any place of business for the tax period and the individual performs fifty percent or more of his/her service for the tax period in the city; and	b.	
c.	Total payroll for employee(s) not primarily assigned to any place of business for the tax period and the individual does not perform fifty percent or more of his/her service in any city, but that person resides in the city.	c.	
Line IIa – Total City payroll – add lines a, b, and c		Enter on Line IIa.	\$

Line IIb: Enter on Line IIb the total payroll for all locations (the amount in Line IIa plus the payroll for employees in all other locations outside the city)

Line IIc: Calculate Payroll Factor – Divide Line IIa by the amount in Line IIb. Enter the calculated amount as a percentage on Line IIc. If a business has no employees then there is no payroll factor. If there are no employees within Renton, but there are employees elsewhere, then the payroll factor for Renton is zero.

III. Service - Income Factor

Enter the Service Gross Receipts in the City			Service Receipts
a.	Total gross receipts from customers whose location is within the City of Renton; and	a.	
b.	Total gross receipts of income-producing activities performed in more than one location where a greater proportion of the service-income-producing activity is performed within the City of Renton than in any other location, based on costs of performance, and the taxpayer is not taxable at the customer location; and	b.	
c.	Total gross receipts of service-income-producing activities performed within the City of Renton, and are not taxable in the customer location.	c.	
Line IIIa – Total City receipts – add lines a, b, and c		Enter on line IIIa.	\$

Line IIIb: Enter on Line IIIb the total companywide gross service receipts for all locations (the amount on Line Ia).

Line IIIc: Calculate Service-Income Factor – Divide line IIIa by the amount in Line IIIb. Enter the calculated amount as a percentage in Line IIIc.

IV. Taxable Service Receipts

Line IVa: Add Line IIc and Line IIIc. Enter the calculated amount on Line IVa. This is the total apportionment factor.

Line IVb: Divide Line IVa by the number 2, if two factors remain. If there is no payroll factor, divide Line IVa by the number 1. Enter the calculated amount as a percentage of Line IVb.

Line IVc: Multiply Line Ic by Line IVb. Enter the calculated amount on Line IVc. This is your city taxable service receipts.

Line IVd: This is your city taxable service receipts net of the city gross receipts exemption. If the amount is less than or equal to zero, then enter "0" on this line. Enter this amount on the Business & Occupation Tax Return: Line 6 (Service & Other Apportioned), Column 4 (Taxable Receipts).