

WORKSHEET FOR CONSTRUCTION CONTRACTING REVENUE (Business Activity Code 15) FOR THE CITY OF PHOENIX PRIVILEGE (SALES) TAX RETURN

Effective June 1, 2010

A

HOW TO CALCULATE DEDUCTION CODE 70 - STANDARD 35% DEDUCTION

1. Write down the Gross Receipts for the month. This amount should also be written on the tax return.	Gross Receipts	\$	<input style="width: 80px;" type="text"/>	<input style="width: 20px;" type="text" value="1"/>
	Less:			
	62 - out-of-City Constr. Contr.	\$	0.00	
	71 - Subcontracting	\$	0.00	
	52/53 Discounts & Refunds	\$	0.00	
	81 Bad Debts	\$	0.00	
	75 Other	\$	0.00	
	Subtotal:	\$	0.00	\$ <u>0.00</u> <input style="width: 20px;" type="text" value="2"/>
2. Total the other deductions you may have that must be taken out of revenue before the Standard 35% Deduction is calculated. Other deductions include Discounts Allowed, Refunds and Returns, Bad Debts, and Miscellaneous (requires explanation).				
3. Subtract the deductions from the Gross Receipts. This amount equals revenue for the City of Phoenix only.	Gross Receipts less deductions above	\$	0.00	<input style="width: 20px;" type="text" value="3"/>
4. Divided by 1.06045. This figure is calculated by multiplying 65% x 0.093 = 0.06045 + 1	Divided by 1.06045	÷	<u>1.06045</u>	<input style="width: 20px;" type="text" value="4"/>
5. This is the revenue amount used to calculate the standard 35% deduction.	Revenue including 35% deduction	\$	0.00	<input style="width: 20px;" type="text" value="5"/>
6. Record this figure on your tax return as your deduction for code 70.	Multiply by 35%	x	<u>35%</u>	
	Code 70 - Standard 35% Deduction	\$	<u>0.00</u>	<input style="width: 20px;" type="text" value="6"/>
7. Subtract your deduction 70 from the subtotal listed in Step #5 to get the Net Taxable Amount. Record this figure on the tax return.	Net Taxable Amount	\$	0.00	<input style="width: 20px;" type="text" value="7"/>
8. Multiply the amount from Step # 7 by the current City tax rate to calculate the Tax Due. Record This figure on the return.		x	<u>2.0%</u>	
		\$	<u><u>0.00</u></u>	<input style="width: 20px;" type="text" value="8"/>

B

TO CALCULATE THE DEDUCTION CODE 64 - SALES TAX COLLECTED

9. Write down the amount calculated in Step # 3 above	\$	0.00	<input style="width: 20px;" type="text" value="9"/>
10. Write down the amount calculated in Step # 5 above	less	\$ <u>0.00</u>	<input style="width: 20px;" type="text" value="10"/>
11. Subtract the amount in Step # 10 from the amount in Step # 9. Record this figure as Deduction 64 on your tax return.	\$	<u><u>0.00</u></u>	<input style="width: 20px;" type="text" value="11"/>

C

TO VERIFY THE DEDUCTION CODE 64 CALULATED ABOVE

12. Write down the amount calculated in Step # 7 above.	\$	<u>0.00</u>	<input style="width: 20px;" type="text" value="12"/>
13. Multiply the amount in Step # 12 by the current total tax rate imposed by the City of Phoenix and State of Arizona for construction within Phoenix boundaries.	x	<u>9.30%</u>	<input style="width: 20px;" type="text" value="13"/>
14. This total should equal the amount calculated in Step # 11 above. A rounding difference of a penny may occur.	\$	<u><u>0.00</u></u>	<input style="width: 20px;" type="text" value="14"/>

RECAP OF AMOUNTS TO BE TRANSFERRED TO TAX RETURN

D

*****DEDUCTIONS*****		
Codes	Descriptions	Amounts
64	Sales Tax Collected	\$ -
81	Bad Debts	\$ -
52/53	Discounts / Returns	\$ -
70	Standard 35% Deduction	\$ -
71	Subcontracting	\$ -
62	Out of City Contracting	\$ -
75	Other (Explain on back of return)	\$ -
	Total Deductions	\$ -

Gross Receipts	\$	0.00	
Total Deductions		0.00	
Net Taxable		0.00	
Tax Rate	x	<u>2.0%</u>	
Tax Due	\$	<u><u>0.00</u></u>	

If you have any questions, please contact Tax Accounting at (602) 262-6785, press 4 or FAX number (602) 262-7151.

If you would like to request this form in excel format, please contact Christina Muller, Taxpayer Liasion, (602) 256-4364 or submit an email to christina.muller@phoenix.gov