

WORKSHEET FOR CONSTRUCTION CONTRACTING REVENUE (Business Activity Code 15)

FOR THE CITY OF PHOENIX TRANSACTION PRIVILEGE (SALES) TAX RETURN

Effective January 1, 2016

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	\$ _____	1
2. Total the other deductions you may have that must be taken out of revenue before the Standard 35% Deduction is calculated.	Less:		
	62 - out-of-City	\$ _____	
	Constr. Contr.		
	71 - Subcontracting	\$ _____	
	52/53 Discounts & Refunds	\$ _____	
	81 Bad Debts	\$ _____	
	75 Other	\$ _____	
Other deductions include Discounts Allowed, Refunds and Returns, Bad Debts, and Miscellaneous (requires explanation).	Subtotal:	\$ _____	2
3. Subtract the deductions from the Gross Receipts. This amount equals revenue for the city of Phoenix only.	Gross Receipts less deductions above	\$ _____	3
4. Divided by 1.0559. This figure is calculated by multiplying 65% x 0.086 = 0.0559 + 1	Divided by 1.0559	÷ <u>1.0559</u>	4
5. This is the revenue amount used to calculate the standard 35% deduction.	Revenue including 35% deduction	\$ _____	5
6. Record this figure on your tax return as your deduction for code 70.	Multiply by 35%	x _____ 35%	
	Code 70 - Standard 35% Deduction	\$ _____	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	\$ _____	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 _____ 2.3%	
		\$ _____	8

TO CALCULATE THE DEDUCTION CODE 64 - SALES TAX COLLECTED			
9. Write down the amount calculated in Step # 3 above		\$ _____	9
10. Write down the amount calculated in Step # 5 above	less	\$ _____	10
11. Subtract the amount in Step # 10 from the amount in Step # 9. Record this figure as Deduction 64 on your tax return.		\$ _____	11

TO VERIFY THE DEDUCTION CODE 64 CALCULATED ABOVE			
12. Write down the amount calculated in Step # 7 above.		\$ _____	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 _____ 8.60%	13
14. This total should equal the amount calculated in Step # 11 above. A rounding difference of a penny may occur.		\$ _____	14

RECAP OF AMOUNTS TO BE TRANSFERRED TO TAX RETURN FORM

*****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	\$ _____
Total Deductions	\$ _____
Net Taxable	
Tax Rate	x _____ 2.3%
Tax Due	\$ _____