

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

Effective June 1, 2013

A

HOW TO CALCULATE DEDUCTION CODE 70 - STANDARD 35% DEDUCTION

<p>1. Write down the Gross Receipts for the month. This amount should also be written on the tax return.</p>	<p>Gross Receipts</p>	\$	1
<p>2. Total the other deductions you may have that must be taken out of revenue before the Standard 35% Deduction is calculated.</p> <p>Other deductions include Discounts Allowed, Refunds and Returns, Bad Debts, and Miscellaneous (requires explanation).</p>	<p>Less:</p> <p>62 - Out-of-City Constr. Contr.</p> <p>71 - Subcontracting</p> <p>52/53 - Discounts & Refunds</p> <p>81 - Bad Debts</p> <p>75 - Other</p> <p style="text-align: right;">Subtotal:</p>	<p>\$</p> <p>\$</p> <p>\$</p> <p>\$</p> <p>\$</p> <p>\$</p> <p>\$</p> <p>\$</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p>
<p>3. Subtract the deductions from the Gross Receipts. This amount equals revenue for the City of Phoenix only.</p>	<p>Gross Receipts less deductions above</p>	<p>\$</p>	<p>0.00</p> <p>3</p>
<p>4. Divided by 1.05395. This figure is calculated by multiplying 65% x 0.083 = 0.05395 + 1</p>	<p>Divided by 1.05395</p>	<p>÷</p>	<p>1.05395</p> <p>4</p>
<p>5. This is the revenue amount used to calculate the standard 35% deduction.</p>	<p>Revenue including 35% deduction</p>	<p>\$</p>	<p>0.00</p> <p>5</p>
<p>6. Record this figure on your tax return as your deduction for code 70.</p>	<p>Multiply by 35%</p> <p>Code 70 - Standard 35% Deduction</p>	<p>x</p> <p>\$</p>	<p>35%</p> <p>0.00</p> <p>6</p>
<p>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.</p>	<p>Net Taxable Amount</p>	<p>\$</p>	<p>0.00</p> <p>7</p>
<p>8. Multiply the amount from Step # 7 by the current City tax rate to calculate the Tax Due. Record This figure on the return.</p>	<p></p>	<p>x</p> <p>\$</p>	<p>2.0%</p> <p>0.00</p> <p>8</p>

B

TO CALCULATE THE DEDUCTION CODE 64 - SALES TAX COLLECTED

9. Write down the amount calculated in Step # 3 above	\$	0.00	9
10. Write down the amount calculated in Step # 5 above	less	\$	0.00
11. Subtract the amount in Step # 10 from the amount in Step # 9. Record this figure as Deduction 64 on your tax return.	\$	0.00	11

C

TO VERIFY THE DEDUCTION CODE 64 CALCULATED ABOVE

12. Write down the amount calculated in Step # 7 above.	\$	0.00	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	8.30	13
14. This total should equal the amount calculated in Step # 11 above. A rounding difference of a penny may occur.	\$	0.00	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	2.0%	
Tax Due	\$	0.00	

If you have any questions, please contact Tax Accounting at (602) 262-6785, press 6 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