



ATTACH TO MULTI-PURPOSE
 TAX RETURN AND MAIL TO:
 LOCKBOX
 PO BOX 34372
 SEATTLE, WA 98124-1372

City of Bellevue
 Schedule A-
 SERVICE INCOME APPORTIONMENT DETAIL

Date Due	Reporting Period	Registration #	

Line No.		Code No.	Amount
I Apportionable Gross Service Receipts			
1	Enter total gross service receipts	30	
2	Subtract any appropriate deduction allowed in Bellevue City Code	31	
3	Apportionable service receipts (subtract line 2 from line 1) <i>enter amount on this line</i>		
II Payroll Factor*			
4	Enter total Bellevue payroll costs	32	
5	Enter total company-wide payroll costs	33	
6	Payroll factor (divide line 4 by line 5) <i>enter amount on this line</i>		
III Service-Income Factor			
7	Enter total Bellevue service receipts	34	
8	Enter total company-wide service receipts	35	
9	Service income factor (divide line 7 by line 8) <i>enter amount on this line</i>		
IV Bellevue Taxable Service Receipts			
10	Total apportionment factor (add lines 6 and 9) <i>enter amount on this line</i>		
11	Percentage of service income apportioned to Bellevue (Divide line 10 by the number 2)*		
12	Bellevue taxable service receipts (multiply line 3 by line 11 and enter this amount on line 4 column 4 of the MULTI-PURPOSE TAX RETURN)		

Why is this schedule necessary in addition to your tax form? Effective January 1, 2008, RCW 35.102.130 requires a new method using a two-factor formula to determine how income taxable under the city's *Service and Other* gross receipts B&O tax classification is apportioned between multiple locations when a taxpayer is engaging in business in more than one jurisdiction.

Who should complete the apportionment schedule? Only those taxpayers that earn gross receipts from activities subject to a city's *Service and Other* gross receipts B&O tax classification and which have a taxable presence in more than one jurisdiction need to complete the schedule.

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.*

$$\text{Total Taxable Service Income} \times \frac{(\text{Payroll Factor} + \text{Service Income Factor})^*}{2}$$

$$\text{Payroll Factor} = \frac{\text{Total Compensation Paid in Bellevue}}{\text{Total Compensation Paid Company-Wide}}$$

$$\text{Service Income Factor} = \frac{\text{Total Bellevue Service Receipts}}{\text{Total Company-Wide Service Receipts}}$$

*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.

SEE OTHER SIDE FOR INSTRUCTIONS

Instructions for Schedule A - Service Income Apportionment Detail

I. Gross Service Receipts

Line 1: Please insert the total gross service receipts for your business.

Line 2: Please insert the amount of gross receipts deductible under Bellevue City Code 4.09.100 Deductions. (Exclude any interstate deduction as this schedule apportions company-wide service income).

Line 3: Subtract line 2 from line 1 and enter this amount on line 3. 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 that individual performs fifty percent or more of his or 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 or her service in any city, but that person resides in the city.	c.	
Line 4 - Total city payroll - add lines a, b, and c <div style="text-align: right;">Enter on line 4.</div>	d.	

Line 5: Enter on line 5 the total payroll for all locations (the amount in line 4 plus the payroll for employees in all other locations outside the city).

Line 6: Calculate Payroll Factor – Divide line 4 by the amount in line 5 and enter the calculated amount as a percentage on line 6. If a business has no employees then there is no payroll factor. If there are no employees within Bellevue, but there are employees elsewhere, then the payroll factor for Bellevue is zero.

III. Service-Income Factor

Service gross receipts are in the city if:	Service Receipts	
a. The customer location is in the city; or	a.	
b. The income-producing activity is performed in more than one location and a greater proportion of the service-income-producing activity is performed in the city than in any other location, based on costs of performance, and the taxpayer is not taxable at the customer location; or	b.	
c. The service-income-producing activity is performed within the city, and the taxpayer is not taxable in the customer location.	c.	
Line 7 - Total city receipts - add lines a, b, and c <div style="text-align: right;">Enter on line 7.</div>	d.	

Line 8 – Enter on line 8 the total gross service receipts for all locations (the amount in line 7 plus the gross receipts from all other locations outside the city).

Line 9: Calculate Service-Income Factor – Divide line 7 by the amount in line 8 and enter the calculated amount as a percentage on line 9.

IV. Taxable Service Receipts

Line 10: Add line 6 to line 9 and enter the calculated amount on line 10. This is the total apportionment factor.

Line 11: Divide line 10 by two (the number 2), if two factors remain. If there is no payroll factor, divide line 10 by one (the number 1). Enter the calculated amount as a percentage on line 11.

Line 12: Multiply line 3 by line 11 and enter the amount on line 12. This is your city taxable service receipts. Also enter this amount on line 4 (*Services & Other Apportioned*), column 4 (*Taxable Income*) of the Multi-Purpose Tax Return.