



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

## Schedule A- SERVICE INCOME APPORTIONMENT DETAIL

For reporting periods January 1, 2020 and later

|  |
|--|
|  |
|  |

|  |          |                  |                |  |
|--|----------|------------------|----------------|--|
|  | Date Due | Reporting Period | Registration # |  |
|  |          |                  |                |  |

| Line No. |  | Code No. | Amount |
|----------|--|----------|--------|
|          | <b>I Apportionable Gross Service Receipts</b>  |          |        |
| 1        | Enter total company-wide 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>  |          |        |
|          | <b>II Payroll Factor*</b>  |          |        |
| 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>  |          |        |
|          | <b>III Service-Income Factor</b>   |          |        |
| 7        | Enter total Bellevue service receipts  | 34       |        |
| 8        | Enter total company-wide service receipts less excludable income (if any)  | 35       |        |
| 9        | Service income factor (divide line 7 by line 8) <i>enter amount on this line</i>   |          |        |
|          | <b>IV Bellevue Taxable Service Receipts</b>  |          |        |
| 10       | <b>Total apportionment factor</b> (add lines 6 and 9) <i>enter amount on this line</i>   |          |        |
| 11       | Fill-in the Percentage of service income apportioned to Bellevue (Divide line 10 by the number 2)*   |          |        |
| 12       | <b>Bellevue taxable service receipts</b> (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.\*

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

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

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

\*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 for Reporting Periods January 1, 2020

## I. Gross Service Receipts

**Line 1** Enter total company-wide gross service receipts for your business.

**Line 2: Subtract any appropriate deductions allowed in Bellevue City Code 4.09.100.** Exclude any interstate deductions as this schedule apportions company-wide service income.

**Line 3: Apportionable service receipts.** Subtract line 2 from line 1 and enter this amount on line 3. This is your apportionable service receipts.

## II. Payroll Factor

**Line 4:** To determine total Bellevue payroll costs, enter the city payroll for the following employees:

|           |  |    |
|-----------|--|----|
| <b>a.</b> | Total payroll for employee(s) whose assigned office or work station is located within the city   | \$ |
| <b>b.</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 their service for the tax period in the city, and               | \$ |
| <b>c.</b> | 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 their service in any city, but that person resides in the city. | \$ |
|           | <b>Add lines a, b, and c.</b> This is the total Bellevue payroll costs.<br><b>Enter this amount on line 4: Enter total Bellevue payroll costs</b>  | \$ |

**Line 5: Enter total company-wide payroll costs:** add the amount on line 4 plus the payroll for employees in all other locations outside the city.

**Line 6: 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, there is no payroll factor. If there are employees outside Bellevue but no employees within Bellevue, the payroll factor is zero.

## III. Service-Income Factor

**Line 7: Enter the total Bellevue Service Receipts.**

Service receipts are in the city if the customer location is in the city.

**"Customer location"** means the following:

- (i) For a customer not engaged in business, if the service requires the customer to be physically present, where the service is performed.
- (ii) For a customer not engaged in business, if the service does not require the customer to be physically present:
  - (A) The customer's residence; or
  - (B) If the customer's residence is not known, the customer's billing/mailling address.
- (iii) For a customer engaged in business:
  - (A) Where the services are ordered from;
  - (B) At the customer's billing/mailling address if the location from which the services are ordered is not known; or
  - (C) At the customer's commercial domicile if none of the above are known.

**Line 8: Enter total company-wide service receipts from line 1 less any excluded income.**

Excluded income is defined as gross service income attributable to cities or unincorporated counties in which the taxpayer is "not taxable" and at least a portion of the service is performed in Bellevue. If there is no excluded income, line 8 will be the same as line 1. If there is excluded income, line 8 will be less than line 1.

"Not taxable" means that the taxpayer is not subject to a business activities tax by that jurisdiction, except that a taxpayer is taxable in a city or county in which it would be deemed to have a substantial nexus under the standards of RCW 35.102.050 regardless of whether or not the city or county imposes a business activities tax.

**Line 9: Service income factor.** Divide line 7 by the amount in line 8 and enter the calculated amount as a percentage on line 9.

## D. Bellevue taxable service receipts

**Line 10: Total apportionment factor.** Add line 6 to line 9 and enter the calculated amount on line 10.

**Line 11: Percentage of service income apportioned to Bellevue.** Divide line 10 by two (2), if two factors remain. If a business has no employees/no payroll factor, divide line 10 by one (1). Enter the calculated amount as a percentage on line 11.

**Line 12: Bellevue taxable service receipts.**

Multiply line 3 by line 11 and enter the amount on line 12. Also enter this amount on line 4, column 4 of the Multi-Purpose Tax Return (Services & Other Apportioned/Taxable Income).



For alternate formats, interpreters, or reasonable accommodation requests please phone at least 48 hours in advance 425-452-6800 (voice) or email [tax@bellevuewa.gov](mailto:tax@bellevuewa.gov). For complaints regarding modifications, contact the City of Bellevue ADA, Title VI, and Equal Opportunity Officer at [ADATitleVI@bellevuewa.gov](mailto:ADATitleVI@bellevuewa.gov).