



**CITY OF KODIAK  
INSTRUCTIONS ON REPORT OF TRANSIENT ROOM TAX**

**Revenue:**

1. The total figure for your bed and breakfast, hotel/motel fees.

**Deductions:**

**All deductions below should be included in the gross revenue lines above. Put the total amount deducted on the appropriate line.**

2. We issue senior citizen exemption cards with an exemption number. The senior must show you their card. This is for sales, services or rentals by a senior.
3. This is for all sales, services or rentals to government agencies. The government agency must be paying with a government credit card or check.
4. If your room rate included sales tax in the gross revenue (lines 1), you can deduct that amount here. You can use this calculation to figure your tax (Gross Revenue - any deductions such as senior citizens or government and  $\div$  by 105% and X that by .05 = the sales tax) That figure should be put on line 4 as a deduction. Make sure that line 4 and line 8 are within a few pennies or you have calculated this incorrectly. Here is an example of that calculation ( $\$500 \div 105\% = \$476.19 \times .05 = \$23.81$ )
5. Other Allowable deductions are not usually used in transient room tax. Utilities are not a deduction.
6. Add total of all deductions lines 2-5

**Calculated tax and payment**

7. Line 1 (Total Revenue) – Line 6 (Total Deductions) = Net Revenue
8. Line 7 X .05 = sales tax
9. Line 8 X .02 = discount if sales tax is paid on or before the due date and have 0 balances
10. If your return is late there is Penalty and interest. Penalty is figured as .05 per month up to 4 months. Then the penalty stops. Ie: To figure interest you take your sales tax X .15 and  $\div$  by 365 days = Interest and then multiply by how many days late. Add the penalty and interest together.
11. Take line 8, less line 9 or plus line 10 for your total sales tax.  
There is a balance due space next and that will show on City generated reports the total of your past due balance including penalties and interest and payments. If you have a blank form, please call the City and request your balance.
12. This is the amount to be paid to the City of Kodiak in cash or check only.

Please sign and date your return. If you would like a copy of your return sent to you, please indicate at the top right of the return and we will mail you a copy.