



CITY OF KODIAK
INSTRUCTIONS ON REPORT OF CONSUMERS' TAX ON
SALES, SERVICES AND RENTALS

Line 1 – 4 may or may not include sales tax. If you include sales tax in these lines you should use line 12 in the deduction line to take out the sales tax.

Revenue:

1. The total dollar amount of everything you sold for retail sales
2. The total dollar amount of what you received on your services including your materials
3. The total dollar amount of what you received per month on your rental multiplied by how many months (ie: \$1,000 Rental Revenue X 3 months=\$3,000)
4. If you do not think that the above 3 categories fit, you may use this line to put in your total amount received.
5. Add up 1 through 4 and put the total on this line.

Deductions:

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

6. 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.
7. This is for all sales, services or rentals to government agencies. For rentals this line should be used for government housing allowances.
8. Wholesale/Retail exemptions are issued by the City of Kodiak and have an exempt numbers. The customer must show you their card.
9. This is for all sales or services by contractors with a City of Kodiak exemption number. They must show you their card.
10. Other transactions could include: all bazaars, out of City of Kodiak or out of the Kodiak Island Borough sales or services, non-profits with valid exemption numbers issued by the City of Kodiak, gift certificates, etc...
11. Sales, services or rentals which exceed \$750. For example if your sale, service or rental is \$1,000 then you should put \$250 on this line ($\$1,000 - \$750 = \250). Make sure that you don't use the sales tax if included in the gross on this line as that amount should be put on line 12.
12. If your sales, service or rental included sales tax in the gross revenue (lines 1-4) you can deduct the sales tax totals amount here. All rentals have a maximum tax of \$45. For the rentals make sure you don't use the same amount in line 11 as well as line 12. Your sales tax is \$45 per month if your rental is more than \$750. For businesses such as taxi's, restaurants, liquor establishments, bed and breakfasts etc. you can use this calculation to figure your tax (Gross Revenue - any deductions such as senior citizens or government and \div by 106% and X that by .06 = the sales tax) That sales tax amount should be put on line 12 as a deduction. Make sure that line 12 and line 15 are within a few pennies or you have calculated this incorrectly. Here is an example of that calculation ($\$500 \div 106\% = \$471.70 \times .06 = \$28.30$)
13. Add total of all deductions lines 6-12

Calculated tax and payment

14. Line 5 (Total Revenue) – Line 13 (Total Deductions) = Net Revenue
15. Line 14 X .06 = sales tax
16. Line 15 X .02 = discount if sales tax is paid on or before the due date and have 0 balances
17. 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. To figure interest you take your sales tax X .15 and \div by 365 days = Interest and then multiply that by how many days late. Add the penalty and interest together.
18. Take line 15, less line 16 or plus line 17 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.
19. 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.