8-21-2002

Changes in the Rate and Distribution of the Business Tax Effective September 1, 2002

Dick Phebus
Municipal Technical Advisory Service

SAMPLE - RATE PHASE-IN RETURN

This application along with proper remittance must be received by this office on or before the dates applicable to the classification in which the business is classified or within 20 days after commencement of business for a new business, or penalty and interest provided by Section 67-4-720, Tennessee Code Annotated will apply.

Assumes that $15 minimum tax was credited, recording fee was collected, and minimum tax (next year) was collected on traditional return.

BUSINESS TAX ACT
LICENSE AND TAX REPORT

________________ **COUNTY/CITY**

AS REQUIRED BY SECTION 67-4-715,
TENNESSEE CODE ANNOTATED

Tax Period **9/1/02** to **9/30/02**

SHORT PERIOD

FOR USE BY COUNTY and/or CITY ONLY

Date Received

Business Tax Receipt Number(s)

Classification Number
Indicate Retail, Wholesale or Both

Amount Received Minimum Tax

Business Tax
(Excluding penalty, Interest, Credits and Less)

Penalty and Interest

SCHEDULE OF RATES

	RETAIL	WHOLESALE	TAX PERIOD	DELINQUENT DATES
Class 1A	1/10 of 1%	1/40 of 1%	Jan 01 to Dec 31	March 1st
Class 1B & 1C	1/10 of 1%	3/80 of 1%	Jan 01 to Dec 31	March 1st
Class 1D - Fuel	1/20 of 1%		Jan 01 to Dec 31	March 1st
Class 2	3/20 of 1%	3/80 of 1%	Apr 01 to March 31	June 1st
Class 3	3/16 of 1%	3/80 of 1%	Jul 01 to Jun 30	September 1st
Class 4	1/10 of 1%		Oct 01 to Sept 30	December 1st

SAMPLE - FRONT SHEET ONLY
Assume: Both traditional and new returns are filed late on December 15, 2002.

A. Firm Name **ABCD Construction Co.** Owner **Mr. ABCD**

Address **Brick Street** Account No. ________

City, State, Zip **Some City, TN 33333** Federal Employer ID **62-8125983**

Location **Industrial Park** Business Class **Class 4**

B. Type Business-Dominant Activity (primary product, vocation or occupation) **Construction: barns, sheds**

If this is a final report, state date business ceased to operate. **No**

		LOCAL	STATE
1.	Total Gross Sales for Tax Period (Less Sales Tax)	$ 180,750.00	
2.	Less: Deduction for Business Tax Purposes from Line 12, Schedule A,	$ 10,230.00	
3.	Taxable Gross Sales for Tax Period (Line 1 Less Line 2)	$ 170,520.00	
	a. Retail Sales **100** % of Taxable Gross Sales	$ 170,520.00	
	b. Wholesale Sales **0** % of Taxable Gross Sales	$	
4.	Retail Rate of Tax **1/10 of 1%** (if applicable) (Line 3a Multiplied by Rate)	$ 170.52	
5.	Wholesale Rate of Tax **N/A** (If applicable, must be 20% or more of Total Gross) (Line 3b Multiplied by Rate)	$	
6.	Preliminary Gross Business Tax Due (line 4 plus 5)	$ 170.52	
7.	a. Local (85% Retained by Local Gov.) 66.67% of Line 6	$ 113.69	
	b. State (100% Allocated to State) Line 6 less 7a		$ 56.83
8.	~~a. Less: Minimum Tax Previously Paid (Former License # ____)~~	$ N/A	
*	b. Less: Personal Property Tax (**Limited to Local Tax Amount - Line 7a**)	$ 43.25	
	Personal Property Tax Date Pd. **7/31/02** Rec'pt # **31966**		
9.	Tax Lines 7a less Lines 8a and 8b, Enter Result in Local Column ~~(Minimum $15.00)~~ Enter Amount from 7b in State Column	$ 70.44	$ 56.83
10.	Penalty (Rate = 5% for each 30 day period or portion thereof for which tax is delinquent (total penalty not to exceed 25%)		
	a. Local (Apply rate to Line 9 local column ~~[Minimum Penalty $15.00]~~	$ 3.52	
	b. State (Apply rate to **SUM** of amounts [Local & State] Line 9, Then Subtract Amount in Line 10a)		$ 2.84
11.	Interest (Effective rate per annum **8.75** % - Applied to Line 9 - Local and State Columns) [Computed daily from date delinquent until paid]	$ .24	$ .19
12.	Total Add Lines 9, 10a, 10b & 11 (if applicable) From **BOTH** Local & State Columns	$ 74.20	$ 59.86
~~13.~~	~~Collecting and Recording Fees~~	$ N/A	
~~14.~~	~~Minimum Tax For Next Period Note: Minimum tax is due regardless of amount of credits claimed Line 8a and 8b~~	$ N/A	
~~15.~~	~~Penalty Add 5% of Line 14 for each 30 day period or portion thereof for which tax is delinquent - Not to exceed 25%~~	$ N/A	
~~16.~~	~~Interest Effective Rate Per Annum ____ % Applied to Line 14~~	$ N/A	
17.	Total Minimum Tax and Business Tax Sum of Amounts in Line 12, 13, 14, 15, 16 from **Local & State Columns** Make Check for Amount in Line 17	$ 134.06	

***** Assumes that personal property tax credit was used to the extent possible against local tax on 10/1/01 - 8/31/02. Personal property tax carryover applies to short period return.