

WHO MUST FILE

Every person making sales, rentals or performing services within CBJ, regardless of whether such transactions are taxable or exempt, must file returns. Every person registered with the sales tax office to conduct business in CBJ must file returns regardless of whether sales were made during the filing period. Every person making sales, rentals or performing services within CBJ that are exempt must file a return. Returns are due on or before the last day of the month succeeding the end of each quarter ending March 31, June 30, September 30, and December 31. Returns are due regardless of the level of sales or the amount of tax due. Documentation supporting gross sales and exemptions claimed must be maintained for 3 years. These records are subject to examination by CBJ Auditors.

INSTRUCTIONS FOR COMPLETING THE COMBINED SALES TAX RETURN FORM

LINE 1. GROSS SALES

- Includes, but not limited to, revenue derived from: retail sales to consumers, sales for resale, services provided, commercial rentals, bartering and pull tabs gross sales.
- Include all exempt sales in gross sales reported.
- Include in column 1 all revenue reported in column 2 & 3.
- Do not include sales tax with gross sales reported.

LINE 2. LESS ALL EXEMPT SALES

- Allowable deductions are listed in CBJ Code Section 69.05.040.
- Column 3, hotel/motel tax – only the following exemptions qualify:
 - Direct sales to government
 - Direct sales to non-profit organizations, and
 - Rentals to persons protected by diplomatic prohibitions from tax.
- If you have granted an exemption to your customers and have maintained the proper exemption documentation, you may exempt these sales on Lines 2 A - G.
- The most commonly used exemptions are listed on Lines 2 A - F. If you are reporting an exemption that is not listed, you must specify the exemption by code number on Line 2G and write a brief description of the exemption claimed. Use a separate line for each exemption claimed. See back of sales tax form for list of codes.

LINE 3. TOTAL EXEMPT SALES

- Add all exemptions from Line 2 A - G.

LINE 4. NET TAXABLE SALES

- Subtract Line 3 from Line 1.

LINE 5. CALCULATE TAX

- Compute the tax by multiplying column 1 Line 4 by 5%; Column 2 Line 4 by 3% and column 3 Line 4 by 9%.

LINE 6. TOTAL TAX

- Enter in column 3 line 6 the combined total of columns 1, 2 & 3, line 5.

LINE 7. OPTIONAL DISCOUNT IF FILED AND PAID TIMELY

- Discount is a flat **\$30** on all returns and filing frequencies.
- If tax due is less than \$30, take the exact amount of tax.
- Discount can reduce tax to zero but cannot create a credit balance.
- Discount will not be allowed if account is delinquent, the return is late, or too much discount is taken.
- The U.S. postmark or online filing date stamp will be used to determine the date filed.

LINE 8. TAX DUE LESS DISCOUNT

- Subtract the discount from the total tax due. (Line 6 minus line 7)

LINE 9. CREDITS FROM PRIOR PERIODS

- Please verify credits with the Sales Tax Office before taking any credit on this line. Call (907) 586-5215 x 4901.

LINE 10. LATE FEE

- Add \$25.00 if return is not filed timely. U.S. postmark or online filing date stamp determines the date filed.

LINE 11. LATE PAYMENT PENALTY AND INTEREST

- Late payment penalty is 5% of unpaid tax balance per month or any fraction thereof increasing monthly to a maximum of 25%.
- Interest accrues on the unpaid tax balance at an annual rate of 10% (multiply unpaid tax balance by .0083; multiply that figure by the number of months the return is delinquent).
- If you need help computing penalties and interest, please call the Sales Tax Office at (907) 586-5215 x 4901. If you do not remit the late fees, penalties and interest with the return, you will be billed.
- Do not use this line for paying prior balances. Only penalty & interest for the period being filed should be reported here.

LINE 12. SUBTOTAL AMOUNT

- Add lines 8 through 11 and enter on line 12.

LINE 13. DEPOSITS SUMMARY

- For those merchants required to make monthly deposits, indicate total amount deposited.
- Quarterly Filers collecting \$1,000 or more in tax during a month must remit a monthly deposit by the 15th of the following month.

LINE 14. TOTAL AMOUNT DUE WITH RETURN

- Subtract Line 13 from Line 14.
- This is the total amount due with your sales tax return.

LINE 15. PAYMENT METHOD

- Check the box for the payment method used and include check number or online confirmation number if appropriate.

LINE 17. SIGN AND DATE

- Returns **must** be signed by a firm member, owner or agent. The Sales Tax Office will return unsigned returns for signature and may assess a late filing fee.

CLAIMING CREDIT FOR BAD DEBTS AFTER SALES TAX HAS BEEN REMITTED

Accrual Basis Accounting: It is at the point you determine a receivable account is uncollectible that you may use the bad debt exemption. *If the sales tax was remitted when the account was billed*, you may take a bad debt exemption when you bad debt the account.

Report the gross amount of bad debts claimed on the front side of the Sales Tax Return, line 2 g and use “Bad Debts” as the description (this will reduce your tax for the current period.)

However, if after you take a bad debt exemption you are able to collect on the account, you are required to add the collected amount to your gross sales reported on line 1 of the sales tax return.

Cash Basis Accounting: Cash basis merchants report only the cash they receive. The receipt of an NSF check is not a bad debt.

If you receive an NSF check, you should omit that sale from your gross sales. If you are later able to collect on the NSF check, you are required to include this collection in your gross sales and remit the sales tax due.

NEED MORE INFORMATION: Call (907) 586-5215 x 4901 or see our web page at <https://juneau.org/finance/sales-tax-forms>.