

City of Phoenix  
Privilege (Sales) and Use Tax  
**RETURN INSTRUCTIONS**

**On the front**

1. To change your mailing address, please write your new mailing address in the box.
2. To cancel your license, please place an "X" in the box. Write the reason for cancellation and the date the cancellation is effective.
3. This area will be used to communicate important tax information to all taxpayers.
4. If an "X" appears here, please call the phone number printed next to the "X."
5. If you had no Gross Income in the reporting period, place an "X" in the box. Go to Step 25. This form must be returned to the City even if there is no tax due.
6. The Business Description and Business Class Codes are pre-printed on your form based on the information provided on your license application. If additional codes are needed, write in the business description, business class code, and tax rate on the next available line. Copy the Business Class Code to the BACK of the form in the next available column (see step 29A). Additional Business Descriptions, Business Class Codes and Allowable Deductions are provided on the Privilege (Sales) Tax Return Instruction Sheet.
7. In Column 1, write the amount of Gross Income, including tax collected, applicable to the Business Description.
8. In Column 2, write the total amount of Deductions from Line A21 on the BACK of the form (see steps 30 through 34 for computing total amount of Deductions).
9. Compute Net Taxable (Column 3) by subtracting Deductions (Column 2) from Gross Income (Column 1).
10. Column 4 shows the Tax Rate for each pre-printed Business Description.
11. To compute Tax Amount due (Column 5) for each Business Description, multiply Net Taxable (Column 3) by the Tax Rate (Column 4).
12. Repeat steps 7 through 11 for additional Business Descriptions.
13. If applicable, write amount of Use Taxable purchases, on Line 5 in Column 3.
14. To compute Use Tax Due (Column 5), multiply Net Taxable (Column 3) by the Tax Rate (Column 4).
15. On Line 6, subtotal Lines 1 thru 5 in Column 5.
16. On Line 7, if applicable, write the subtotal from an additional tax return page for this reporting period.
17. On Line 8, subtotal lines 6 and 7.
18. On Line 9, write the total Excess Tax Collected from Line B1 on the BACK of the form (see steps 36 and 37).
19. On Line 10, subtotal Lines 8 and 9.
20. If this return is received after the last business day of the month following the reporting period, penalties apply to the delinquency. The penalties are calculated based on Line 10. The late filing penalty is 5% per month. The late payment penalty is 10% (25% combined maximum for late penalties). Interest of 1% per month will accrue on unpaid tax due. You may estimate penalties and interest or leave blank for the City to calculate and bill you; penalty and interest are calculated on tax only.
21. On Line 12, add Lines 10 and 11 to compute Total Liability.
22. On Line 13, write the total of Lines B2 thru B4 from the BACK of the form (see steps 38 thru 42).

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23. On Line 14, subtract Line 13 from Line 12 to compute Net Amount Due.
24. On Line 15, write the amount of payment included with this return.
25. Sign and date the tax return.
26. Print the name of the person that completed the form and their daytime phone number.
27. Do Not Write in this box. This area is for City Use only.
28. **MAKE A COPY OF BOTH SIDES OF YOUR COMPLETED TAX RETURN FOR YOUR RECORDS.**

**On the back**

29. The Business Class Code is pre-printed in the same order as they appear on the front of the form.
- 29A. If adding another Business Class, write in the Business Class Code that you listed on the FRONT in the next available column (see step 6).
30. The Deduction Descriptions and Deduction Codes are listed on the left side of the page. These are the allowable deductions by Business Class. For a complete list, see attached listing. If you need to list another deduction, please write in a description of the deduction and the Deduction Code on Line A20. If you have any questions on a deduction, please contact the Tax Division at (602) 262-6785, Press 6.
31. Not all deductions are available to all types of businesses. When “XXXXXXXX” appears on that line, the deduction is not allowed for the Business Class at the top of that Column.
32. For each Business Class Code, write the amount of each allowed deduction.
33. On Line 21A, write the total of Lines A1 through A20 for each column.
34. Copy the total amount of each column (Line A21) to the matching Business Class Code line (Lines 1 thru 4, Column 2) on the FRONT of the form (see step 8).
35. If more City tax was collected than was due, the excess tax collected must be paid to the City. On Line B1, write any excess tax collected for each Business Class Code.
36. In the box on the far right, on Line B1, write the Total excess tax collected.
37. Copy the Total Excess amount, calculated in Step 36, to Line 9 on the FRONT of the form (see step 18).
38. Telecommunications, Utilities and Cable TV businesses may deduct franchise/license fees paid to the City. Speculative and Owner-Builders may deduct City Taxes already paid by Prime Contractors for the same revenue. If applicable, write that amount on Line B2.
39. If you have received a credit statement and have verified its accuracy by calling (602) 262-6785, Press 6; write the credit statement amount on Line B3.
40. Line B4 pertains to Use Tax Only. This credit applies when the tax rate paid to another city is less than the Phoenix tax rate.
41. In the box to the far right, total the amounts on Lines B2, B3 and B4.
42. Copy the Total credit amount, calculated in Step 41, to Line 13 on the FRONT of the form (see step 22).