



ATTACH TO MULTI-PURPOSE TAX  
 RETURN AND MAIL TO:  
 CITY OF BELLEVUE  
 PO BOX 34372  
 SEATTLE, WA 98124-1372

# Schedule A- SERVICE INCOME APPORTIONMENT DETAIL

For reporting periods prior to January 1, 2020



| Date Due | Reporting Period | Registration # |  |
|----------|------------------|----------------|--|
|          |                  |                |  |

| Line No.                                      |  | Code No. | Amount |
|---|--|----------|--------|
| <b>I Apportionable Gross Service Receipts</b> |  |          |        |
| 1   | Enter total gross service receipts   | 30       |        |
| 2   | Subtract any appropriate deduction allowed in Bellevue City Code   | 31       |        |
| 3   | Apportionable service receipts (subtract line 2 from line 1) <i>enter amount on this line</i>  |          |        |
| <b>II Payroll Factor*</b>                     |  |          |        |
| 4   | Enter total Bellevue payroll costs   | 32       |        |
| 5   | Enter total company-wide payroll costs   | 33       |        |
| 6   | Payroll factor (divide line 4 by line 5) <i>enter amount on this line</i>  |          |        |
| <b>III Service-Income Factor</b>              |  |          |        |
| 7   | Enter total Bellevue service receipts  | 34       |        |
| 8   | Enter total company-wide service receipts  | 35       |        |
| 9   | Service income factor (divide line 7 by line 8) <i>enter amount on this line</i>   |          |        |
| <b>IV Bellevue Taxable Service Receipts</b>   |  |          |        |
| 10  | <b>Total apportionment factor</b> (add lines 6 and 9) <i>enter amount on this line</i>   |          |        |
| 11  | Percentage of service income apportioned to Bellevue (Divide line 10 by the number 2)*   |          |        |
| 12  | <b>Bellevue taxable service receipts</b> (multiply line 3 by line 11 and enter this amount on line 4 column 4 of the MULTI-PURPOSE TAX RETURN) |          |        |

**Why is this schedule necessary in addition to your tax form?** Effective January 1, 2008, RCW 35.102.130 requires a new method using a two-factor formula to determine how income taxable under the city's *Service and Other* gross receipts B&O tax classification is apportioned between multiple locations when a taxpayer is engaging in business in more than one jurisdiction.

**Who should complete the apportionment schedule?** Only those taxpayers that earn gross receipts from activities subject to a city's *Service and Other* gross receipts B&O tax classification and which have a taxable presence in more than one jurisdiction need to complete the schedule.

**Formula example:**

**Service and Other income is apportioned** to a city by multiplying *service income* by a *payroll factor* (based on the payroll within the city), plus the *service-income factor* (based on the income producing activity attributable for tax purposes within the city), divided by two.\*

$$\text{Total Taxable Service Income} \times \frac{(\text{Payroll Factor} + \text{Service Income Factor})^*}{2}$$

$$\text{Payroll Factor} = \frac{\text{Total Compensation Paid in Bellevue}}{\text{Total Compensation Paid Company-Wide}}$$

$$\text{Service Income Factor} = \frac{\text{Total Bellevue Service Receipts}}{\text{Total Company-Wide Service Receipts}}$$

\*If a business has no employees in any location, such as a sole proprietorship without any employees, then the payroll factor is zero and the apportionment reverts to a single factor formula using the service factor only. In this case divide the service factor by 1.

**SEE OTHER SIDE FOR INSTRUCTIONS**

# Instructions for Schedule A - Service Income Apportionment Detail for Reporting Periods Prior to January 1, 2020

## I. Gross Service Receipts

**Line 1** Enter total gross service receipts for your business.

**Line 2: Subtract any appropriate deductions allowed in Bellevue City Code 4.09.100.** Exclude any interstate deductions as this schedule apportions company-wide service income.

**Line 3: Apportionable service receipts.** Subtract line 2 from line 1 and enter this amount on line 3. This is your apportionable service receipts.

## II. Payroll Factor

**Line 4:** To determine total Bellevue payroll costs, enter the city payroll for the following employees:

|   |  |    |
|---|--|----|
| <b>a.</b>   | Total payroll for employee(s) whose assigned office or work station is located within the city   | \$ |
| <b>b.</b>   | Total payroll for employee(s) who are not primarily assigned to any place of business for the tax period and that individual performs fifty percent or more of their service for the tax period in the city, and               | \$ |
| <b>c.</b>   | Total payroll for employee(s) not primarily assigned to any place of business for the tax period, and the individual does not perform fifty percent or more of their service in any city, but that person resides in the city. | \$ |
| <b>Add lines a, b, and c.</b> This is the total Bellevue payroll costs.<br><b>Enter this amount on line 4: Enter total Bellevue payroll costs</b> |  | \$ |

**Line 5: Enter total company-wide payroll costs:** add the amount on line 4 plus the payroll for employees in all other locations outside the city.

**Line 6: Payroll factor.** Divide line 4 by the amount in line 5 and enter the calculated amount as a percentage on line 6. If a business has no employees, there is no payroll factor. If there are employees outside Bellevue but no employees within Bellevue, the payroll factor is zero.

## III. Service-Income Factor

**Line 7:** to determine if the service gross receipts are in the city:

|   |  |    |
|---|--|----|
| <b>a.</b>   | The customer location is in the city; or   | \$ |
| <b>b.</b>   | The income-producing activity is performed in more than one location and a greater proportion of the service-income-producing activity is performed in the city than in any other location, based on costs of performance and the taxpayer is not taxable at the customer location; or | \$ |
| <b>c.</b>   | The service-income-producing activity is performed within the city and the taxpayer is not taxable in the customer location.   | \$ |
| <b>Add lines a, b, and c.</b> This is the total city receipts.<br><b>Enter this amount on line 7: Enter total Bellevue service receipts</b> |  | \$ |

**Line 8: Enter total company-wide service receipts.** Add the amount in line 7 with the gross receipts from all other locations outside the city.

**Line 9: Service income factor.** Divide line 7 by the amount in line 8 and enter the calculated amount as a percentage on line 9.

## IV. Bellevue taxable service receipts

**Line 10: Total apportionment factor.** Add line 6 to line 9 and enter the calculated amount on line 10.

**Line 11: Percentage of service income apportioned to Bellevue.** Divide line 10 by two (2), if two factors remain. If there is no payroll factor, divide line 10 by one (1). Enter the calculated amount as a percentage on line 11.

**Line 12: Bellevue taxable service receipts.** Multiply line 3 by line 11 and enter the amount on line 12. Also enter this amount on line 4, column 4 of the Multi-Purpose Tax Return (Services & Other Apportioned / Taxable Income).



For alternate formats, interpreters, or reasonable accommodation requests please phone at least 48 hours in advance 425-452-6800 (voice) or email [tax@bellevuewa.gov](mailto:tax@bellevuewa.gov). For complaints regarding modifications, contact the City of Bellevue ADA, Title VI, and Equal Opportunity Officer at [ADATitleVI@bellevuewa.gov](mailto:ADATitleVI@bellevuewa.gov).