

# City of Poulsbo



Business & Occupation Tax

~ Debbie Booher, Finance Director

~ Gretchen Harmon, Tax Accounting Clerk

# Poulsbo History



When did the first business begin, who started it and what was it?



# Poulsbo History - 1886 - Hostmark General Store – Adolph Hostmark



Photo and information courtesy of Judy Driscoll, Poulsbo Historical Society



# Poulsbo History

Which business is the oldest continuous business in the City of Poulsbo and how many years has it been operational?



# Poulsbo History – Martha & Mary House, 1891 – 2024, 133 years



Photo and information courtesy of Judy Driscoll, Poulsbo Historical Society



# Disclaimer:

- The City of Poulsbo partners with the Department of Revenue, providing the City access to business records.
- Poulsbo has reviewed state excise tax payment histories for businesses.
- The City will continue to monitor state excise tax payments for compliance with Poulsbo Municipal Code.
- All city finance employees have a tax and license secrecy clause, ensuring all information remains confidential.
- Information is utilized for Poulsbo auditing purposes.



# B & O Tax – Basics

- Businesses will be exempt from paying the City's B&O tax **IF** annual gross revenue is less than \$20,000, however, a zero return tax form is required.
- Businesses will be required to submit the tax quarterly unless they do not meet the annual gross revenue amount of \$100,000. Submit annual tax payments between January 1 – January 31.
- Implemented July 1, 2024 at .2% (.002) on gross revenue
- Impacts businesses within the City limits as well as outside City limits where apportioned revenue is delivered within City limits
  - Example: Amazon – delivers items within Poulsbo city limits, but headquarters are located outside of Poulsbo city limits
- Not to be confused with state excise / B&O tax
- Must have a state business license with an endorsement for Poulsbo



# B & O Tax - Basics

- **ANNUAL FILERS:** Businesses who gross (before taxes) less than \$100,000 each year (or \$50,000 between July 1 – December 31, 2024), due January 31.
- **QUARTERLY FILERS:** Businesses who gross (before taxes) more than \$100,000 each year (or \$25,000 between July 1 – September 30, 2024), due October 31.  
(Unique to the year 2024, semi-annual income applies.)



# B & O Tax – Exemptions – PMC 3.34.090

- Public utilities
- Investments – dividends from subsidiary corporations, however, service fees are not exempt
- Insurance business
- Employees (as defined by IRS)
- Amounts derived from sale of real estate, however, commission amounts are not exempt
- Mortgage brokers' third-party provider service trust accounts
- Amounts derived from manufacturing, selling or distributing motor vehicle fuel
- Amounts derived from liquor, and the sale or distribution of liquor
- Casual and isolated sales (i.e., Facebook Marketplace sale)



# B & O Tax - Exemptions – PMC 3.34.090

- Accommodation sales – typically automotive sales between dealers where an automotive is sold at cost

This shall not apply to sales for resale by persons regularly engaged in the business of making retail sales of the type of property so sold to other persons similarly engaged in the business of selling such property where: (1) the amount paid by the buyer does not exceed the amount paid by the seller to the vendor in the acquisition of the article; and (2) the sale is made as an accommodation to the buyer to enable the buyer to fill a bona fide existing order of a customer, or is made within 14 days to reimburse a previous accommodation sale by the buyer to the seller.

- Taxes collected as trust funds
- Non-profit corporations or non-profit organizations



# B & O Tax – Classifications

- Retail / Retail Service
  - Retail stores
  - Rental of tangible personal property – Airbnb, Vrbo
- Wholesaling
  - Distributors
  - Sub-contractors
- Manufacturing
- Service & Other (Apportioned)
  - Lawyers, Doctors, Finance institutions
  - Accountants, Tutors



# B & O Tax – Exemptions

Businesses will be exempt from paying the City’s B&O tax if annual gross revenue is less than \$20,000. **However, B&O zero return tax forms are required, even if there is no balance due.** Non-profit organizations are exempt from paying the City’s B&O tax but are required to file a zero return.

- Exemption 1: The first \$20,000 of taxable gross revenue earned annually (or \$5,000 per quarter) that **is not subject to retail sales tax** is exempt from the Poulsbo B&O tax.
- Exemption 2: The first \$125,000 of taxable gross revenue earned annually (or \$31,250 per quarter) that **is subject to retail sales tax** is exempt from the Poulsbo B&O tax.



# B & O Tax – How to Calculate Taxes

- Exemption #1 example: If the business grosses \$200,000 of taxable revenue that **is not subject to retail sales tax in Poulsbo** during 2024, \$200,000 is entered as gross revenue, then deduct **the allowed exemption of \$20,000** from the gross. The taxable revenue is \$180,000 which is multiplied by the tax rate .002, for an annual tax liability of \$360.
- Exemption #2 example: Alternatively, if the business grosses \$200,000 of taxable revenue that **is subject to retail sales tax in Poulsbo** during 2024, \$200,000 is entered as gross revenue, then deduct **the allowed exemption of \$125,000** from the gross. The taxable revenue is \$75,000, which is multiplied by the tax rate .002, for an annual tax liability of \$150.



# B & O Tax – Tax Periods

TAX PERIOD	DATES	DUE DATES
Q1	JANUARY 1 – MARCH 31	APRIL 30
Q2	APRIL 1 – JUNE 30	JULY 31
Q3	JULY 1 – SEPTEMBER 30	OCTOBER 31
Q4	OCTOBER 1 – DECEMBER 31	JANUARY 31
ANNUAL	JANUARY 1 – DECEMBER 31	JANUARY 31

Late returns will be subject to penalties:

- The minimum penalty is \$5.00.
- 9% - first overdue month on the tax liability.
- 19% - second overdue month on the tax liability.
- 29% - third overdue month on the tax liability.

*For due dates that fall on holidays or weekends, returns will be due the following business day.*



# B & O Tax – FileLocal – Making a Payment

- The City of Poulsbo joined FileLocal, a non-profit online filing program created and utilized by a dozen cities in Washington. FileLocal is an easy to navigate portal, where businesses can sign-up with a UBI number to create a business account and pay B&O taxes.
- If the business has a current account with FileLocal, choose Poulsbo when filing B&O tax. If the business does not have a FileLocal account, one can be created mid-September, when Poulsbo goes live on the site, which will allow businesses the ability to file for Poulsbo B&O tax when available.
- If the business annual gross receipts are less than \$20,000, the business will be exempt from paying B&O tax, however, the business will need to submit a zero return tax form, and no fee will be charged.
- Online payments will be charged a convenience fee of \$4.00, plus a \$1.00 ACH debit service fee or 2.49% credit card fee for each form. No fees will be charged for a zero return.

# B & O Tax – FileLocal



Your one stop for local business licensing and tax filing

[Home](#) [Contact City](#) [Support](#) [FAQ](#)

**Need to get a city business license or pay local business taxes like B&O?**  
FileLocal offers businesses a one stop place to meet their license and tax filing needs.

**Simple, fast and time-saving.**  
Sign in if you already have an account. If you're a first-time user, create a business account below.

[Forgot your password?](#)

[Forgot your username?](#)

Remember Username

**SIGN IN**

## BEFORE YOU GET STARTED

Create a business account to register your business, file returns, and pay local B&O taxes.

**CREATE BUSINESS ACCOUNT**

[View the Taxpayer Quick Start Guide](#)

Create a tax preparer account to file returns for multiple clients (example: CPAs and accounting firms).

**CREATE TAX PREPARER ACCOUNT**

[Learn more about Preparer Accounts](#)

Website Support  
Phone: (225) 215-0052  
Toll Free: 1-877-693-4435  
Phone hours: M-F 7:00 AM to 5:00 PM Pacific Time  
Email: [FileLocal@avenusights.com](mailto:FileLocal@avenusights.com)



More Information  
[Contact City](#)  
[Privacy Statement](#)  
[General Terms & Rules for Use](#)

FileLocal is an optional quick and easy service for registering your business, filing and paying your taxes. Alternative filing methods such as in-office or mail in formats are available at each participating city. Please contact your local City or the FileLocal help desk for more information at 1-877-693-4435 or [FileLocal@avenusights.com](mailto:FileLocal@avenusights.com).

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# B & O Tax – Making a Payment - Options

- **FileLocal:** The preferred method for filing and paying Poulsbo B&O tax.  
<https://www.filelocal-wa.gov/>
- **Drop Box:** Drop off **completed form and payment** either in the drive-up drop box located on 3rd Avenue or the walk-up drop box located at the top of the stairs just outside of the main entrance to City Hall located off Moe Street. These boxes are checked daily for payments.
- **In Person:** Bring **completed form and pay** in person at Poulsbo City Hall with the 3rd Floor Cashier during City Hall Hours: Monday – Friday (8:00am – 4:30pm), excluding holidays. Please note the front counter is closed each weekday from 12:15pm - 1:15pm for lunch.
- **Mail:** **Completed form and payment** may be mailed to: City of Poulsbo – Cashier, 200 NE Moe St, Poulsbo, WA 98370. Ensure it is postmarked no later than the due date to avoid penalties.

# B & O Tax - Form



City of Poulsbo  
Business and Occupation Tax Form

200 NE Moe Street  
Poulsbo, WA 98370  
(360) 779-3901



Businesses will be exempt from paying B&O tax if annual gross revenue is less than \$20,000, however a zero return tax form is required to be filed annually (due January 31).  
Non-profits are exempt from paying B&O tax, however a zero return tax form is required to be filed annually (due January 31).  
Exemption 1: The first \$20,000 of taxable gross revenue earned annual (or \$5,000 per quarter) that IS NOT subject to retail sales tax is exempt from B&O tax.  
Exemption 2: The first \$125,000 of taxable gross revenue earned annually (or \$31,250 per quarter) that IS subject to retail sales tax is exempt from B&O tax.

Business Name:		State UBI No.:					
Tax Code	Tax Classification	Gross Receipts	Deductions/Exemptions	Taxable Revenue	Tax Rate	Tax Due Amount	
<b>Business &amp; Occupation Taxes</b>							
81	Retailing/Retail Services		-	=	x	0.0020 = \$	
81	Wholesaling		-	=	x	0.0020 = \$	
81	Manufacturing		-	=	x	0.0020 = \$	
81	Services & Other (Apportioned)		-	=	x	0.0020 = \$	
<b>Other Taxes</b>							
61	Admissions		-	=	x	0.0500 = \$	
62	Pull Tabs/Punch Boards		-	=	x	0.0500 = \$	
63	Non-Profit Bingo, Amusement & Raffle (over \$5,000)		-	=	x	0.0500 = \$	
63	Amusement & Games		-	=	x	0.0200 = \$	
64	Bingo		-	=	x	0.0500 = \$	
64	Raffle		-	=	x	0.0500 = \$	
<b>Utility Provider Taxes</b>							
65	Electricity		-	=	x	0.0600 = \$	
66	Gas		-	=	x	0.0600 = \$	
67	Telephone		-	=	x	0.0600 = \$	
68	Water		-	=	x	0.1200 = \$	
69	Garbage		-	=	x	0.0600 = \$	
98	Cable TV		-	=	x	0.0600 = \$	

Unexplained Deductions / Exemptions will not be allowed

Deduction/exemption explanations:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

Business & Occupation Tax Due	\$
Multiple Activities Tax Credit	\$
Other Tax Due	\$
Utility Provider Tax Due	\$
Subtotal All Taxes	\$
Total Amount Due	\$

# B & O Tax – Questions?



**Gretchen Harmon | Tax Accounting Clerk**

(360) 394-9749 (Direct) | (360) 394-9881 (Finance)

[gharmon@cityofpoulsbo.com](mailto:gharmon@cityofpoulsbo.com)

**FileLocal Help Desk**

(225) 215-0052 | 1 (877) 693-4435

[FileLocal@aveuinsights.com](mailto:FileLocal@aveuinsights.com)