

July 13th, 2015

# Newsletter 2nd Quarter 2015

Volume 12, Issue 2



## 2nd Quarter Returns Due July 31st

### 2nd QUARTER 2015

\*April 2015

\*May 2015

\*June 2015

File by [July 31st](#) to avoid late fees/penalties!

**REMINDER:** Businesses that generated zero revenue are still required to file sales tax returns on time.

Late filing will incur a progressive late filing fee; plus penalty and interest against any tax balance owed.

### Questions?

We are available to answer questions!  
Visit or call for any help with the filing of your sales tax quarterly returns

**(907) 747-1840**

### Office Hours:

M-F 8:00am-5:00pm

100 Lincoln Street

2nd Floor

Finance Department

Tax Office: Room 217

**We're on the Web**  
**www.cityofsitka.com**  
**'Business' Tab**

### REMINDERS & UPDATES!

## 2nd Quarter Returns Due July 31st!

~

**6% Sales Tax Months;** The sales tax rate is 6% during the months of April, May, June, July, August, and September. Rentals of Real Property (except for Long Term residential units) for thirty or more consecutive days remain at 5% (SGC 4.09.120). Bed tax remains at 6%.

**Sales Tax Cap** will be increased to \$3,000

(Effective October 1st)

Property Tax Bills have been sent out as of July 1st

**Payments are Due by 4:45pm on August 31st, 2015!**

New Tax Clerk will be Hannah Nelson — WELCOME!



**Hardik J. Patel**

Tax Accountant

Phone: (907) 747-1853  
salestax@cityofsitka.com



**Government Funded / Non-Profit Agencies**

Per SGC 4.09.100(v), Nonprofit organizations that qualify as tax exempt under IRC section 501(c) and derive fifty percent or more of their gross revenue from local, state, or federal government sources are exempt from sales tax if approved. The exemptions certificates are issued on a two year basis. Agencies that qualified last year have already been extended until December 31, 2015. New agencies must complete the application, remit the \$25.00 application fee, and submit an annual report showing their qualifications. Upon approval, these agencies will be granted a tax exempt number for 2015-2016. If you did not receive an application, they may be obtained on our website. **REMEMBER—if you are granting a tax exemption, the customer must have a city issued tax exempt number. The list of approved non-profits is listed on our [website](#).**

Please visit our site: <http://cityofsitka.com/business/taxes/index.html>

**Running a little behind on filing your returns? Here's a few tips we hope will help:**

*\*File as soon as possible, even if you can not remit the tax on that same day. This will save you the late filing fee and you will only be required to pay the penalties and interest on the sales taxes due.*

**2nd Quarter (April, May, June) Due July 31st**

The following is a guide for #9, #10, & #11 of the Sales Tax Return form.

All payments are applied to costs, fees, penalties, and interest before taxes. 4.09.345(A)

**#9 on Form) Calculate the Late Fees on the Return:**

- Filed On or After 8/1/15 the Late Fee is \$15
- Filed On or After 9/1/15 the Late Fee is \$40
- Filed On or After 10/1/15 the Late Fee is \$65
- Filed On or After 11/1/15 the Late Fee is \$90
- Filed On or After 12/1/15 the Late Fee is \$100

**#10 on Form) Calculate the Penalties on the Return:**

- |  |                                       |   |
|--|---------------------------------------|---|
| Filed On or After 8/1/15 the Penalty is 5%   | (Multiply the Total Taxes Due by .05) | Example: \$100 Taxes will have a \$5 penalty  |
| Filed On or After 9/1/15 the Penalty is 10%  | (Multiply the Total Taxes Due by .10) | Example: \$100 Taxes will have a \$10 penalty |
| Filed On or After 10/1/15 the Penalty is 15% | (Multiply the Total Taxes Due by .15) | Example: \$100 Taxes will have a \$15 penalty |
| Filed On or After 11/1/15 the Penalty is 20% | (Multiply the Total Taxes Due by .20) | Example: \$100 Taxes will have a \$20 penalty |
| Filed On or After 12/1/15 the Penalty is 25% | (Multiply the Total Taxes Due by .25) | Example: \$100 Taxes will have a \$25 penalty |

**#11 on Form) Calculate the Interest on the Return:**

- Interest is 12% per annum on delinquent taxes English: 1% each past due month.
- Count the number of days past April 30th. Example: You are returning your form on August 15th. You are now 15 days past due.
- Formula: ( \$Sales Tax ) X ( .12 ) X ( # of Days Past Due ) / ( 365 ) = Interest Due

*\*Ensure you have added these into your final return total. Otherwise, the sales taxes will be short paid. Penalties and Interest will continue to increase based on any remaining balance.*

**Would you like to avoid paying past due fees and instead get a discount?! It's EASY! Here's how you get your discount for 3rd Quarter.**

1. Print off the [Monthly Payment Coupon](#) on our website (Found under the Business Tab, Tax Services Link, Sales Tax Forms.)
2. At the end of July, calculate how much sales tax you collected (it's ok if it's not perfect). Return the Monthly Payment Coupon and the sales taxes collected to the city by August 15th. (Be sure to write your account# and which month is being returning on the coupon)
3. At the end of August, calculate how much sales tax you collected. Again, return the Monthly Payment Coupon and the sales taxes collected to the city by September 15th. **Your account is flagged eligible for the discount!!!**
4. At the end of September, file your sales tax return as normal before October 31st. At the bottom of the blue forms it should show the payments you've made and a line to enter in your discount. Minus these credits against your tax returns due. **You just saved money!!!**

**Volume 12, Issue 2**

