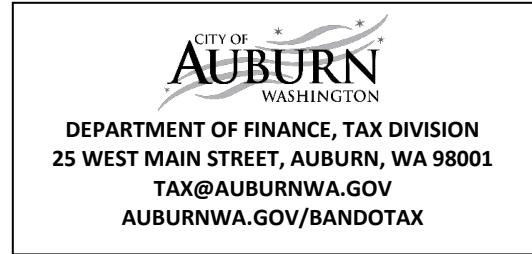


SCHEDULE A

Service Income Apportionment Supplemental Form

Tax Periods Beginning January 1, 2022

SEE REVERSE SIDE FOR INSTRUCTIONS



Business Name:
City Account #: BUS-
Tax Period:

1. Calculate Apportionable Gross Service Receipts

Tax Code	Description	Amount
30	1. Enter worldwide service receipts	
31	2. Deductions	
	3. Enter Apportionable service receipts (subtract line 2 from line 1)	

2. Calculate Payroll Factor

Tax Code	Enter the City of Auburn payroll compensation for the following employees:	Payroll Costs
	a. Total payroll for employee(s) whose assigned office or work station is located within the City of Auburn;	
	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 (50%) or more of his or her service for the tax period in the City of Auburn; and	
	c. 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 (50%) or more of his or her service in any city, but that person resides in the City of Auburn.	
32	d. Total City of Auburn payroll (add lines a, b, and c) <i>Enter here AND on line 4 below</i>	
	4. Payroll Factor Numerator. Enter amount from Line d.	
33	5. Payroll factor Denominator. Enter total companywide payroll costs.	
	6. Enter Payroll Factor (divide line 4 by line 5)	

3. Calculate Service Income Factor

34	7. Enter total City of Auburn service gross receipts if the customer location is in Auburn.	
35	8. Enter total worldwide service receipts <i>less any excludable income (if any)</i> .	
	9. Enter Service income factor (divide line 7 by 8)	

4. Calculate Auburn Taxable Service Receipts

	10. Enter Total apportionment factor (add lines 6 and 9).	
	11. Divide line 10 by the number 2 enter amount on this line *.	
	12. Enter Auburn taxable service receipts (multiply line 3 by line 11). <i>Enter here AND on your tax return line Service & Other Apportioned column 4 Taxable Income.</i>	

*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.

What is the Service Income Apportionment Supplemental Form? A worksheet that uses a two-factor formula to determine how income taxable under Auburn's service and other 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 worksheet? Only those taxpayers that earn gross receipts from activities subject to Auburn's service and other B&O tax classification and who have a taxable presence in more than one jurisdiction.

Instructions for Auburn Service Income Apportionment Supplemental Form

Tax Periods Beginning January 1, 2022

House Bill 1403 (2019) changed how Cities in Washington state sourced service receipts by changing the definition of “customer location” in the income factor by moving to a market-based sourcing method. The Bill also changed how the denominator of the income factor is determined by excluding income from the denominator in which some of the apportionable activity is performed in the City and the taxpayer is not taxable in the customer location.

I. Apportionable Gross Service Receipts

Line 1: Worldwide Service Receipts. Enter the total worldwide gross service receipts for your business.

Line 2: Deductions. Enter any allowable deductions per the Auburn Municipal Code.

Line 3: Apportionable Service Receipts. Line 1 less Line 2.

II. Payroll Factor

Line 4: Payroll Factor Numerator. Enter total payroll in Auburn. Your total payroll in Auburn is the sum of:

- a. Total payroll for employee(s) whose assigned office or workstation is located within Auburn;
- 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 (50%) or more of his or her service for the tax period in Auburn; and
- c. 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 (50%) or more of their service in any city, but that person resides in Auburn.

Line 5: Payroll Factor Denominator. Enter total payroll for employees everywhere.

Line 6: Payroll Factor. Line 4 is divided by Line 5. (Note: If the business has no employees, then there is no payroll factor. If there are no employees within Auburn but there are employees elsewhere, then the payroll factor for Auburn is zero.)

III. Service Factor

Line 7: Enter the total service gross receipts if the “customer location” is in Auburn. “Customer location” means:

1. For a customer not engaged in business:
 - a. If the service requires the customer to be physically present, where the service is performed.
 - b. If the service does not require the customer to be physically present:
 - i. The customer’s residence; or
 - ii. The customer’s billing/ mailing address if the customer’s residence is not known.
2. For a customer engaged in business:
 - a. Where the services are ordered from;
 - b. At the customer’s billing/ mailing address if the location from which the services are ordered is not known; or
 - c. At the customer’s commercial domicile if none of the above is known.

Line 8 - Enter the total worldwide service receipts everywhere less any apportionable gross income in which some of the activity is performed in Auburn and the taxpayer is “not taxable” in the City or County of the customer location. (If there is no income excluded from the denominator, Line 1 will be the same as Line 8. If there is income excluded from the denominator, Line 8 will be less than Line 1).

“Not taxable” means that the taxpayer is not subject to a business activities tax by that jurisdiction, except that a taxpayer is taxable in a City or County in which it would be deemed to have a substantial nexus under the standards in [RCW 35.102.050](#) regardless of whether or not that City or County imposes a business activities tax.

Line 9: Service-Income Factor. Divide Line 7 by the amount in Line 8. This is the income factor percentage.

IV. Auburn Taxable Service Receipts

Line 10: Total Apportionment Factor. Add the Payroll Factor (Line 6) and the Income Factor (Line 9).

Line 11: Percentage of Service Income Apportioned to Auburn. Divide Line 10 by the number 2. (If the business has no employees, the Total Apportionment Factor is divided by 1).

Line 12: Auburn Taxable Service Receipts. Multiply Line 3 by Line 11.