



Instructions for Preparing Your Sales Tax Return

1. **Gross Sales and Service:** Report ALL activity for the period covered. Include all sales, both retail and wholesale, rentals, leases, and service sales for both taxable and non-taxable transactions.
- 2A. **Bad Debts Collected:** Report the bad debts collected which were previously deducted on Line 3D, must be accounted for in the month of collection.
- 2B. **Total Lines 1 & 2A:** Add lines 1 and 2A.
3. **Deductions:** The following items are exempt from taxation:
 - 3A. Deduct all services which are non-taxable.
 - 3B. Deduct sales made to other city LICENSED retailers who purchase merchandise for the purpose of resale to the consumer.
 - 3C. Deduct all sales delivered to the purchaser outside the city limits if BOTH the following conditions exist: a) The sale is to a purchaser who is a non-resident of Arvada and b) delivery is made by common carrier, conveyance by the seller, or by mail to the purchaser outside of Arvada.
 - 3D. Deduct all sales which were originally taxable sales and deemed "uncollectible/bad debt" and have written off as such.
 - 3E. Deduct the value of property traded-in, which will be resold in the usual course of business.
 - 3F. Deduct all sales of gasoline and cigarettes.
 - 3G. Deduct all qualifying sales to exempt organizations.
 - 3H. Deduct all sales which were returned by the purchaser and were previously reported as a net taxable sale.
 - 3I. Deduct all qualifying sales of prescription drugs and prosthetic devices.
 - 3J. Deduct all other exemptions not covered on Lines 3A through 3I. Other deductions must be explained with an attached explanation.
3. **Total Deductions:** Total all deductions claimed in Lines 3A through 3J.
4. **Total City Net Taxable Sales & Service:** Subtract Total Deductions on Line 3 from Gross Sales/Service on Line 2B.
5. **Amount of City Sales Tax:** Calculate the sales tax by multiplying Total City Net Taxable Sales & Service on Line 4 by the EFFECTIVE sales tax rate, 3.46%
6. **Excess Tax Collected:** Report the amount of tax collected in excess of the effective rate of tax levied on retail sales.
7. **Adjusted City Sales Tax:** Add Line 5 and 6.
8. **Deduct Vendor's Fee:** Calculate a deduction of 3% of the adjusted city sales tax due, up to a maximum of \$100.00 per reporting period. This deduction is ONLY allowed if tax is paid on or before the due date.
9. **Total Sales Tax Due:** Subtract Line 8 from Line 7.
10. **City Use Tax:** Use tax is assessed on items that are purchased for the businesses' own use and which no city sales tax has been paid and no tax exemption exists. Calculate use tax by multiplying the total purchase price from Schedule B, on the reverse side of the form, by the effective tax rate, 3.46%
11. **Total Tax Due:** Add Line 9 and Line 10.
12. **Late Filing:** Calculate a penalty if sales tax return and payment is filed after the due date.
 - 12A. The penalty is 10% of the Total Tax Due, Line 11.
 - 12B. The interest is 1% of the Total Tax Due, Line 11, multiplied by each month delinquent.
13. **Total Tax, Penalty, and Interest Due:** Add Line 11, Line 12A, and 12B.
14. Do not use this space, left intentionally blank.
15. **Total Due and Payable:** Make your check or money order payable for this amount of the City of Arvada.