

FILING INSTRUCTIONS

Line 1	<p>Gross Sales and Services - Record all sales, both taxable and nontaxable, for the period covered including:</p> <ul style="list-style-type: none"> o Retail Sales o Services and labor rendered o Rental and lease receipts <p>The total of all nontaxable sales will be deducted on Line 3.</p>
Line 2A	Bad debts collected - Report the bad debts collected in this reporting period that were deducted in any previous reporting period.
Line 2B	Total - Add lines 1 and 2A.
Line 3	Deductions – Deduct nontaxable sales; the deductions should be amount that you included in the gross sales and services listed on line 1 on this return. You may not deduct your business expenses as you would for income tax purposes. The sales tax is on sales transactions, not profits. List each deduction category separately then show the sum at the bottom on the line labeled “ 3. Total Deductions. ” If your total deductions exceed the line 1 amount, please make a note explaining which previous returns included the amounts you are deducting.
Line 3A	Non-taxable service sales - Deduct all services that are nontaxable (e.g. labor and professional fees, if separately stated on the invoice). Do not deduct fabrication labor since it is taxable.
Line 3B	Sales to other licensed dealers for purposes of resale - Deduct sales made to other licensed retailers who purchased your merchandise for the purpose of resale to the consumer.
Line 3C	Sales shipped out of City - Deduct all sales delivered or mailed to a purchaser outside of the Centennial city limits.
Line 3D	Bad debts charged off - Deduct uncollected sales that were reported as taxable sales in a previous period. The sales must be ‘written off’ and deemed uncollectible. If bad checks are deducted, only the portion of the returned check attributable to the purchase of taxable goods can be deducted. If you collect that debt in the future, you will need to add it on line 2A and remit the sales tax. <i>Bad debt deductions are not allowed on motor vehicles or on secured property.</i>
Line 3E	Trade-ins for taxable resale – For transactions subject to City sales tax, deduct the amount allowed for a trade-in, up to the fair market value, if you will resell the goods in the normal course of business.
Line 3F	Sales of gasoline and cigarettes – Deduct all sales of cigarettes and gasoline.
Line 3G	Sales to governmental, religious and charitable organizations – Deduct sales to governmental entities, or to organizations which have been specifically exempted by the City of Centennial. To qualify for tax exemption, the purchase must be paid for directly by the organization, with funds of the organization, and without the intent to be reimbursed by any individual. Purchases made using cash or a personal check or credit card are not exempt. To document this deduction for non-governmental entities, you should obtain a copy of the exemption certificate issued to the organization by the City of Centennial.
Line 3H	Returned goods – Deduct the selling price of goods which have been returned for a refund, if City sales tax was charged on the original sale.
Line 3I	Prescription drugs and prosthetic devices – Deduct the sale of prescription drugs, medical supplies, prosthetic devices, orthopedic appliances, therapeutic devices, oxygen and related accessories, whether for human or animal consumption, if sold by prescription or recommendation of a licensed practitioner. Items such as spas and hot tubs are not exempt, even if prescribed by a doctor, since they are not designed specifically as therapeutic devices.
Line 3J	Food – Deduct sales of food items sold for preparation and/or consumption at home. Prepared food or food sold for immediate consumption, as at a restaurant, gift shop, snack bar, or like establishment, is not exempt from sales tax. All food items sold in vending machines is exempt from sales tax.
Line 3 K/L	Other deductions (list) – Deduct non-taxable sales not included in above categories. You must provide an explanation of the deduction along with an amount.
Line 3 M	Total of all deductions. Note that all deductions must be properly documented or they may be disallowed.
Line 4	Subtract Line 3 M from Line 2B.
Line 5	Amount of City Sales Tax (Line 4 X 2.5%)
Line 6	Add: Excess Tax Collected
Line 7	Adjusted City Sales Tax (Add Lines 5 & 6)
Line 8	Deduct Vendor Allowance – You may deduct the amount of sales tax to be remitted if the return is filed by the due date. The vendor allowance is 3% of Line 7 up to \$200 per reporting period, but not less than \$3.00 per reporting period.
Line 9	Total Tax Due (Line 7 less Line 8)
Line 10(a)	Late filing – if filed after due date then add: Penalty equaling either \$15 or 15% of Line 7 whichever is greater.
Line 10(b)	Late filing – if filed after due date then add: Interest equaling 1.5% per month on the amount of tax on Line 7
Line 11	Total tax, penalty and interest – Add Lines 9, 10 (a), and 10 (b).
Line 12A	Add: Prior period adjustment – These amounts may be credits from prior period transactions, adjustments for mathematical errors or other similar situations. Documentation must be attached to the return to verify and document this amount. If no documentation is provided, the adjustment will be disallowed.
Line 12B	Deduct: Prior period adjustment - These amounts may be adjustments for mathematical errors or other similar situations. Documentation must be attached to the return to verify and document this amount. If no documentation is provided, the adjustment will be disallowed
Line 13	Total Due and Payable – If this amount if \$10 or less, you may record the amount due and carry the amount forward for payment on a future return when the threshold of \$10 has been reached. All returns must be filed until that threshold is realized and the cumulative sales tax paid to the City when the threshold is reached.