



## Quarterly 2012

### Manufacturing and Selling Square Footage Business Tax Computation Worksheet

**If ALL of your business activity is conducted solely within Seattle (all deliveries or services are delivered within Seattle), or if you are reporting under the old code, SMC 5.45.080, check the appropriate box on the tax form that you are entitled to a 100% credit against the square footage tax. You do not have to complete this worksheet.**

**If you are manufacturing products in Seattle, and also buying and selling non-manufactured products both within and outside of Seattle, use this worksheet to compute your square footage business tax.**

The square footage used in manufacturing products that you sell is exempt from the square footage business tax. However, you must compute the square footage for the area used in the selling of non-manufactured products. Common management, selling and administrative square feet must be apportioned between manufacturing and non-manufacturing using a ratio of non-manufactured sales to total sales.

#### I. Computing non manufacturing square footage business tax before credits.

- Line 1** Non-Manufacturing Floor Space \_\_\_\_\_ (Sq. Ft.) X \$ .42 = \_\_\_\_\_  
*(Enter this information on line 8, column G & I of the business license tax return.)*
- Line 2** Other Non-Manufacturing Floor Space \_\_\_\_\_ (Sq. Ft.) X \$ .14 = \_\_\_\_\_  
*(Enter this information on line 9, column G & I of the business license tax return.)*
- Line 3** Total Square Footage Business Tax due (add lines 1 and 2) \_\_\_\_\_  
*(Enter the results on line 10, column I of the business license tax return.)*

#### II. Computing the credit percentage and tax due.

- Line 4** Total gross proceeds of “non-manufactured” sales derived from Seattle business location.\* \_\_\_\_\_
- Line 5** Non-manufactured sales delivered within Washington that have not been taxed under an eligible gross receipts tax.\*\* \_\_\_\_\_
- Line 6** Adjusted gross proceeds of sales (subtract line 5 from line 4). \_\_\_\_\_
- Line 7** Credit percentage against the square footage tax.  
Adjusted gross proceeds of sales divided by gross proceeds of sales  
(divide line 6 by line 4). \_\_\_\_\_ %
- Line 8** Square footage business tax credit (multiply line 7 by line 3). \_\_\_\_\_  
*(Enter the results on line 11, column I on the business license tax return.)*
- Line 9** Square footage business tax due (subtract line 8 from line 3). \_\_\_\_\_

\*Includes interstate sales (sales delivered to buyers outside of the state), but does not include sales which were manufactured within Seattle.

\*\* In order to report under the new allocation method, the Manufacturing businesses that also buy and sell products must segregate their sales between manufactured sales and non-manufactured sales.

**Business floor space** - means rentable square feet of an office or place of business and includes the proportionate share of the building service areas such as lobbies, corridors and other common areas in a building. The rentable square footage shall be computed by measuring to the inside finish of permanent outer building walls and shall include space used by columns and projections necessary to the building. Business floor space does not include vertical penetrations through the building such as stairs, elevators, or heating, ventilation, air conditioning, utility, or telephone systems. Business floor space does not include other floor space as defined below. If the business floor space is owned by the taxpayer, the business floor space will be calculated in the same manner as above and as if the area was rented.

**Other floor space** - means rentable square feet used for dining areas, exercise areas, or warehouse space.

1. "Dining area" means any space used exclusively by employees for the purpose of purchasing, preparing, or consuming meals.
2. "Exercise area" means any space used exclusively by employees for the purpose of physical exercise not related to an employee's normal job duties.
3. "Warehouse space" means any space used exclusively for the storage of merchandise or commodities. It does not include merchandise display areas. Display areas are part of the business floor space.

Other floor space will be measured in the same manner as business floor space whether owned or rented.

**RETAIN THIS WORKSHEET WITH YOUR TAX RECORDS**