

Multiple Activities Tax Credit Examples

These examples should be used only as a general guide. The tax status of each situation must be determined after a review of all of the facts and circumstances.

Company A is a Tacoma based manufacturer that sells their manufactured product within Tacoma. Company A will report its gross sales and compute the Tacoma B&O tax under both the manufacturing and the applicable selling classification, either retail or wholesale classification. The MATC will be allowed under the selling classification for the manufacturing tax paid so that the B&O tax is only paid once. The MATC form would be required to be completed and filed with the return.

Company B is a Bellevue based manufacturer that sells their manufactured product in Tacoma. Company B reports and pays a B&O tax in Bellevue under the manufacturing classification. Company B will report to Tacoma its gross sales and compute the tax under the applicable selling classification. The MATC will be allowed against the Tacoma selling tax up to the amount of tax paid to Bellevue on the manufacturing activity associated with those sales. Company B would complete an MATC form for a credit of the tax paid to Bellevue. Company B is also required to document the tax they paid to Bellevue.

Company C is a Tacoma based manufacturer that sells their manufactured product outside Tacoma. Company C reports and pays a B&O tax under the manufacturing classification only. The MATC will not be allowed in this instance.

Company D is a Tacoma based manufacturer that sells their manufactured product in another B&O city. Company D reports and pays a B&O tax under the manufacturing classification to Tacoma and the other city would grant the company a MATC.

Company E is a Tacoma based manufacturer that sells their manufactured product outside Washington, Company E reports and pays a B&O tax under the manufacturing classification. The MATC does not apply in this instance.

Company F is a Tacoma taxpayer that purchases goods from another company and then resells them in Tacoma. Company F reports and pays a B&O tax under the retailing classification if sold to the end user or they pay the B&O tax under the wholesale classification if the goods are sold to another company. The MATC would not apply in this instance.