



CITY OF KNOXVILLE
Business Tax Office
P.O. Box 1028
Knoxville, Tennessee 37901
Telephone (865) 215-2083



Out of State Contractors Information

1. Contractors who are based out of the State of Tennessee and come into the City of Knoxville to perform a job must obtain a City of Knoxville Business License and pay the appropriate application fee. Tennessee Code Annotated 67-4-706.
2. Out of State Contractors **MUST** also complete **ONE** of the following tasks.
 - A. Attach to the application a \$500 (five-hundred dollar) check to establish an escrow account. These funds must be certified funds. This amount is in addition to the application fee. Tennessee Code Annotated 67-4-707(a).

-or-
 - B. Contact an insurance company, and have the enclosed 'Out of State Contractor's Bond' completed and returned to our office attached to the application. Tennessee Code Annotated 67-4-707(a).

-or-
 - C. If the **FINAL** total contract amount is known, the business taxes can be paid at the same time the application is submitted. Complete the enclosed gross receipts reporting form and enclose a check for the business taxes. This amount would be in addition to the application fee. Tennessee Code Annotated 67-4-707(a).

City of Knoxville

Application for Business Tax License

**Department of Finance
Revenue Office
Business Tax Division**

**INCOMPLETE APPLICATIONS WILL BE
RETURNED UNPROCESSED**

**400 Main St., Ste 450
Knoxville, TN 37902
(865) 215-2083**

1. Reason for application:	<input type="checkbox"/> NEW Business	<input type="checkbox"/> Change in Ownership	<input type="checkbox"/> Business Structure Change: Explain _____
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2. Exact Business Name for this location	Corporate Name / Attention to
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Physical address of this location			Mailing Address		
3. Street Address. Do NOT use P. O. Box			Street Address or P. O. Box		
City	State	Zip	City	State	Zip

4. Type of Ownership	<input type="checkbox"/> Proprietorship	<input type="checkbox"/> Partnership	<input type="checkbox"/> Corporation	<input type="checkbox"/> Other: _____
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5. Describe the EXACT nature of business activity. Be specific.	<i>Operation will be:</i> <input type="checkbox"/> Retail <input type="checkbox"/> Service <input type="checkbox"/> Manufacturer <input type="checkbox"/> Wholesale <input type="checkbox"/> Both Whsl & Retail
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6. Opening Date:	() -	Will This Business Charge for Admissions?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Business Phone	() -	Will This Business Sell Alcoholic Beverage?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
FEIN		<i>If YES, check all that apply:</i>		
Personal Property ID		<input type="checkbox"/> Retail Beer	<input type="checkbox"/> Wholesale Liquor	<input type="checkbox"/> Caterer's License
Sales Tax No.		<input type="checkbox"/> Wholesale Beer	<input type="checkbox"/> Liquor by the Drink	<input type="checkbox"/> Wine

7. Identify the owner(s), officers and/or partners. Attach additional sheets if necessary.

a. Last Name	First Name	MI	Social Security Number	<input type="checkbox"/> Proprietor	<input type="checkbox"/> Partner	<input type="checkbox"/> Officer
				<input type="checkbox"/> Other _____		
Street Address. Do NOT use a P. O. Box			City	State	Zip	Phone Number

b. Last Name	First Name	MI	Social Security Number	<input type="checkbox"/> Proprietor	<input type="checkbox"/> Partner	<input type="checkbox"/> Officer
				<input type="checkbox"/> Other _____		
Street Address. Do NOT use a P. O. Box			City	State	Zip	Phone Number

c. Last Name	First Name	MI	Social Security Number	<input type="checkbox"/> Proprietor	<input type="checkbox"/> Partner	<input type="checkbox"/> Officer
				<input type="checkbox"/> Other _____		
Street Address. Do NOT use a P. O. Box			City	State	Zip	Phone Number

8. TOTAL APPLICATION FEE *	\$20.00
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*This application must be received within twenty (20) days from the commencement of business or penalty and interest will apply. Please call the Revenue Office for calculation of additional fees if applicable.

**THE STATEMENTS MADE IN THIS APPLICATION ARE TRUE TO THE BEST OF MY KNOWLEDGE AND BELIEF.
The individual/owner, a partner or an officer of the corporation must sign application.**

9. _____	_____
Signature of Owner, Partner or Corporate Officer (Do Not Print)	Date

Mail completed application and payment to: City of Knoxville, P. O. Box 1028, Knoxville, TN 37901



THE CITY OF KNOXVILLE, TENNESSEE

Department of Finance
Business Tax Division

OUT OF STATE CONTRACTOR'S BOND

Minimum Amount of Bond - \$500.00

In accordance with section 67-5806 of the Business Tax Act, Title 67, Chapter 58 of the Tennessee Code Annotated.

KNOW ALL MEN BY THESE PRESENTS, that we, _____, City of _____, State of _____, a Principal, and _____, a Corporation, organized under the laws of the State of _____, and being duly authorized and qualified to do the business of a bonding and indemnity company in the State of Tennessee, as surety, or _____, City of _____, State of _____, and _____, City of _____, State of _____, as sureties, heirs, administrators, executors, successors and assigns, are held and firmly bound unto the City of Knoxville, Tennessee in the penal sum of \$_____, firmly by these presents.

THE CONDITION OF THIS OBLIGATION AND OF THIS BOND IS AS FOLLOWS:

WHEREAS, the above bound principal desires to engage in the business of contracting in the City of Knoxville, Tennessee and has applied to said City of Knoxville, Tennessee for a GROSS RECEIPTS AND BUSINESS TAX LICENSE showing that said principal is qualified to do said contracting work, and

WHEREAS, as a condition to the issuance of such license it is the requirement of Title 67, Chapter 58, Section 67-5806 of the Tennessee Code Annotated of the State of Tennessee, that the said principal shall enter into a bond obligating the said principal to comply with the above Title, Chapter and Section of the Tennessee Code Annotated, guaranteeing payment of all taxes, penalties and interest as is set forth and required in Tennessee Code Annotated, Title 67, Chapter 58, as amended.

NOW, THEREFORE, if the said principal shall comply with the aforesaid statutes and all provisions therein by purchasing a minimum business tax license and filing a gross receipts tax return reporting total gross contracts commenced and/or completed on each September 30th of each year or within fifteen (15) days of the completion date of any and all contracts, whichever date comes first, and paying the appropriate tax, penalties and interest which have accrued, this bond shall become void, but otherwise, it shall remain in full force and effect.

This bond is intended to secure compliance on the part of said principal, with Title 67, Chapter 58 of the Tennessee Code Annotated as well as any and all provisions of the same as amended in respect to the Business Tax responsibilities of said principal to the City of Knoxville, Tennessee, and in order to further define and limit the obligation and office of this bond, it is hereby further agreed between the parties hereto as follows:

- (a) No action shall be brought on this bond unless said principal should default in the performance of his and/or her obligations and responsibilities as set forth in Title 67, Chapter 58 Tennessee Code Annotated.

**City of Knoxville, Tennessee
Out of State Contractor's Bond
Page Two**

- (b) This bond shall in no way affect the said principal's civil responsibility to the person and/or persons for whom such contracting work is being done or has been performed, and shall not limit the City's right to seek and enforce any and all legal remedies provided it in Title 67, Chapter 58, of the Tennessee Code Annotated.
- (c) The term of this bond shall commence on the date written below and shall terminate on the last day of the current tax period for Class 4 businesses (Title 67, Chapter 58, of the Tennessee Code Annotated.) Thereafter, the term of this bond shall coincide with the taxing period for Class 4 businesses as established by the Tennessee State Legislature.
- (d) This bond may be cancelled by giving thirty (30) days written notice of such intended cancellation by registered mail to the Business Tax Office, City of Knoxville, Tennessee, and P.O. BOX 1028, KNOXVILLE, TN 37901-1028.

Signed and sealed this the _____ day of _____, 20_____.

Principal

Surety

Surety

State of _____

County of _____

Sworn and subscribed to before me this _____ day of _____, 20_____.

Notary Public

My Commission Expires: _____

NOTICE

Enter name and address of bonding company:

Name Bonding Company

Bond Number

Contact Person

Address, Street and Number

City State Zip



CITY OF KNOXVILLE
 Business Tax Division
 P. O. Box 1028
 Knoxville, TN 37901-1028
 (865) 215-2083



BUSINESS TAX ACT
BUSINESS LICENSE AND TAX REPORT

Account #:	
Owner:	
Location:	
Sales Tax No:	
Classification:	
Tax Period:	
Delinquent Date:	

1. Total Gross Sales of Goods, Services and Contracts
2. Less: Deduction for Business Tax Purposes (Line 12 Schedule A)
(Must be itemized under schedule A, back side of this form)
3. Taxable Gross Sales for Tax Period (Line 1 Less Line 2)
4. a. Retail Sales of Taxable Gross _____% (% listed X Line 3)
b. Retail Rate .001
c. Retail Tax Due (Line 4a X Line 4b)
5. a. Wholesale Sales of Taxable Gross _____% (% listed X Line 3)
b. Wholesale Rate All Retail
c. Wholesale Tax Due (Line 5a X Line 5b)
6. a. Preliminary Gross Tax Due (Line 4c plus Line 5c)
b. Less: Minimum Tax Previously Paid (15.00)
c. Tax Base (Line 6a – 6b; Cannot be less than zero)

()
()
.001
All Retail
(15.00)

Business Closing:
 A final report must be filed within 15 days of our last day of business in order to avoid penalty & interest.

7. a. State (33.33 % X Line 6c)
b. Local (Line 6c less Line 7a)
8. Less: Personal Property Tax Paid During Tax Period
Seq# _____ (Limited to Local Tax Amounts – Line 7b)

LOCAL	STATE
()	

9. a. Adj Tax - Local (Line 7b less Lines 8 -May not be less than \$0)
b. Tax - State (Enter Amount from Line 7a)
10. Penalty (Rate = 5% for each 30 day period or portion thereof for which tax is delinquent, not to exceed 25%)
a. Local 5% per month (Minimum \$15.00) X Line 9a
b. State 5% per month X Sum of Line 9a & 9b, then subtract Line 10a

11. Interest (Effective rate per annum _____% - Compute daily from date delinquent until paid)
a. Local (X _____ # days delinq. X Line 9a)
b. State (X _____ # days delinq. X Line 9b)

12. TOTAL
a. Local (Add Lines 9a, 10a & 11a)
b. State (Add Lines 9b, 10b & 11b)

13. Combined Total Tax (Line 12a plus Line 12b)
14. Collecting and Recording Fees 5.00
15. Minimum Tax for Next Period _____ TO _____ ** 15.00**
16. Penalty (Rate = 5% for each 30 day period or portion thereof for which tax is delinquent, not to exceed 25%) (Rate X Line 15)
17. Interest (Effective rate per annum _____% - Compute daily from date delinquent until paid) (Line 15 X _____ X days)
18. TOTAL MINIMUM TAX AND BUSINESS TAX (Sum of Lines 13, 14, 15, 16 & 17)

5.00
15.00**

**If final return, do not pay minimum tax, Enter closing date _____.

PAY THIS AMOUNT TO:
 City of Knoxville

Schedule A Deductions for Business Tax Purposes

(Sales for resale are not an allowable deduction on a retail report or any other report)

- 1 Sales of services substantially performed in other states 1 _____
- 2 Proceeds of sale of good, wares or merchandise returned by the customer when the sale price is refunded either in cash or by credit. (Line E, Schedule A, State Sales Tax Return) 2 _____
- 3 Bona Fide Sales in Interstate Commerce where the purchaser takes possession outside of Tennessee for use or consumption outside of Tennessee and item actually delivered by the seller or common carrier 3 _____
- 4 Cash discounts allowed and taken on sales. (Line J, Schedule A, State Sales Tax Return) 4 _____
- 5 Repossessions. Enter the portion of the unpaid principal balances in excess of \$500 due on tangible personal properties repossessed from customers. (Line H, Schedule A, State Tax Return) 5 _____
- 6 The amount allowed as trade-in value for any articles sold 6 _____
- 7 Amounts subcontracted to others for additions or improvements to real property. Attach list of subcontractors, their addresses, the amount each subcontractor was paid and the work performed 7 _____
- 8 Gasoline and Motor Fuel Tax

	Gallons	Tax	Deduction
Federal Gasoline	_____ x	0.184	= _____
State Gasoline	_____ x	0.200	= _____
Federal Motor Fuel Use	_____ x	0.244	= _____
State Motor Fuel Use	_____ x	0.170	= _____
State Special Fuel	_____ x	0.014	= _____
Liquid Gas for Motor Vehicle	_____ x	0.280	= _____

Gasoline and Motor Fuel Tax Total 8 _____

9 Tobacco Tax

	Packages	Tax	Deduction
Federal Cigarettes	_____ x	0.390	= _____
State Cigarettes	_____ x	0.620	= _____
Federal Other Tobacco Products	_____ x	_____	= _____
State Other Tobacco Products	_____ x	_____	= _____

Tobacco Tax Total 9 _____

10 Beer Tax

	Gallons	Tax	Deduction
Federal Beer	_____ x	0.580	= _____
State Beer	_____ x	0.139	= _____
Wholesale Tax	_____ x	_____	= _____

Beer Tax Total 10 _____

11 Other (Specify)

_____ 11 _____

12 Total Deductions. This amount goes on Page 1, Line 2

12 _____

I certify that this return, including any accompanying schedule or statements, has been examined by me and is, to the best of my knowledge and belief, a true and complete return, made in good faith, for the tax period stated pursuant to the provisions of Chapter 58 of Title 67, Tennessee Code Annotated, known as the "Business Tax Act". If prepared by anyone other than the taxpayer, this return is based upon all information of which I have knowledge, under penalties provided by the "Return Preparer Act of 1969".

This return is for the tax period _____ to _____

Signature
Official of Corporation or Member of Firm

Date

Signature

Date

Signature and Title of Preparer

CITY OF KNOXVILLE BUSINESS TAX RETURN – INSTRUCTIONS

Line 1: Enter the gross sales total for the reporting period. Do not report amounts of sales tax collected. You must include commissions received for sales of lottery tickets during the period. Include self-assessed business tax being reported in this line also.

Line 2: Enter the total amount for all deductions allowed for business tax purposes from Line 12, Schedule A on back of return form.

Line 3: Calculate the taxable gross sales for the tax period by subtracting Line 2 from Line 1.

Line 4a: Enter the portion of taxable gross sales that resulted from retail sales. Divide the amount in Line 4a by the amount in Line 3 to determine the percentage of retail business activity. Write this amount in the space provided to the left of box 4a.

Line 5a: Enter the portion of taxable gross sales that resulted from wholesale sales. Divide the amount in Line 5a by the amount in Line 3 to determine the percentage of wholesale business activity. Write this amount in the space provided to the left of box 5a.

Line 4c: Calculate the total business tax due from retail sales. Multiply the amount in Line 4a by the amount in line 4b. If applicable, must be 20% or more of the gross total to apply.

Line 5c: Calculate the total business tax due from wholesale sales. Multiply the amount in Line 5a by the amount in line 5b. If applicable, must be 20% or more of the gross total to apply.

Line 6a: Calculate the preliminary gross business tax due. Add lines 4c and 5c.

Line 6b: Enter the amount of the minimum license fee that was previously paid.

Line 6c: Calculate the business tax base. Subtract Line 6b from Line 6a. Do not enter an amount less than zero.

Line 7a: Calculate the preliminary gross business tax that is allocated to the state government under Tenn. Code Ann. Section 67-4-724. Multiply the amount on Line 6c times 33.33%.

Line 7b: Calculate the preliminary gross business tax that is allocated to the local government under Tenn. Code Ann. Section 67-4-724. Subtract Line 7a from Line 6c.

Line 8: Enter the amount of personal property tax that was previously paid during the tax period to the City of Knoxville.

Line 9a: Calculate the local business tax amount due. To calculate the local business tax due, subtract Line 8 from Line 7b. Do not enter an amount less than zero.

Line 9b: Calculate the state business tax due by entering the amount reflected on line 7a.

Line 10a: Calculate the penalty on the local tax due. The rate of penalty is 5% for each 30 day period, or portion thereof, for which the tax is delinquent. The maximum penalty due cannot exceed 25%.

Multiply the penalty percentage by line 9a. The minimum penalty due is \$15.00.

Line 10b: Calculate the penalty due on the state tax due. The rate of penalty is 5% for each 30 day period, or portion thereof, for which the tax is delinquent. The maximum penalty due cannot exceed 25%.

Multiply the penalty percentage by the sum of lines 9a and 9b, and then subtract 10a.

Line 11a: Calculate the interest on the local tax due. Multiply the current effective interest rate by the number of day's delinquent by the amount on line 9a. (Interest rate x number of days delinquent x the amount on line 9a).

Line 11b: Calculate the interest on the state tax due. Multiply the current effective interest rate by the number of day's delinquent by the amount on line 9b. (Interest rate x number of days delinquent x the amount on line 9b).

Line 12a: Calculate the total business tax, penalty and interest for the local tax due. Add lines 9a, 10a and 11a.

Line 12b: Calculate the total business tax, penalty and interest for the state tax due. Add lines 9b, 10b and 11b.

Line 13: Calculate the combined local and state tax due. Add lines 12a and 12b.

Line 14: Enter the appropriate collecting and recording fees.

Line 15: Report the minimum license fee paid for the next period. [Note: The minimum tax is due regardless of amount of credits claimed on Line 8.]

Line 16: Calculate any penalty due for late payment of minimum license fee by adding 5% of Line 15 for each 30-day period the minimum payment is delinquent. The penalty due may not exceed 25% of the amount reflected in Line 15.

Line 17: Calculate any interest due for late payment of minimum license fee. Multiply the current effective interest rate by the number of day's delinquent; and multiply by the amounts reflected in Line 15. Compute interest due from the return due date to the date of payment.

Line 18: Calculate the total minimum license and business tax remittance due by adding Lines 13, 14, 15, 16, and 17. Enclose a check for the amount shown on Line 18 with the return.

SCHEDULE A: Deductions for Business Tax Purposes

Line 1: Enter the gross sales of services that were substantially performed in states other than Tennessee.

Line 2: Enter the proceeds of the sales of goods, wares, or merchandise returned by the customer when the sales price is refunded either in cash or by credit. This should equal the amount on Line E, Schedule A, of the state Sales and Use Tax Return.

Line 3: Enter the gross sales amount for bona fide sales in interstate commerce where the purchaser takes possession outside Tennessee for use or consumption outside Tennessee and the item is actually delivered by the seller or a common carrier.

Line 4: Enter the total of cash discounts allowed and taken on sales. This should equal the amount on Line J, Schedule A, of the state Sales and Use Tax Return.

Line 5: Enter that portion of the unpaid principal balance in excess of \$500 due on all items of tangible personal property repossessed from customers. This should equal the amount on Line H, Schedule A, of the state Sales and Use Tax Return.

Line 6: Enter the total amount allowed as trade-in value for any articles sold.

Line 7: Enter the total amount subcontracted to others for additions or improvements to real property. Attach a list of subcontractors, their addresses, the items subcontracted, and the amount for each item.

Line 8: Enter the federal excise taxes and state privilege and excise taxes paid for gasoline tax, motor fuel use tax, state special tax on petroleum products, and liquified gas for motor vehicles in the spaces provided. Enter the amounts sold and deductions.

Line 9: Enter the federal excise taxes and state privilege and excise taxes paid for cigarettes and other tobacco products in the spaces provided. Enter the amounts sold and deductions.

Line 10: Enter the federal excise taxes and state privilege and excise taxes paid for beer and the 17% wholesale tax on beer in the spaces provided. Enter the amounts sold and deductions.

Line 11: Enter any other federal excise taxes and state privilege and excise taxes paid and specify the commodity on which they were paid. Enter the amounts sold and deductions.

Line 12: Calculate the total deductions by adding the totals for Line 1 through Line 11. Enter the total here and on Line B2, Page 1.

CERTIFICATION: Complete the certification block by entering the beginning and ending dates of the tax period covered, signing and dating the return, and including the title, name, signature, and date of person completing the return if not completed by an employee of the taxpayer.