

# Laws and Rules Training

2018 FTA Award Winner

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*"Working together to  
fund Washington's future"*

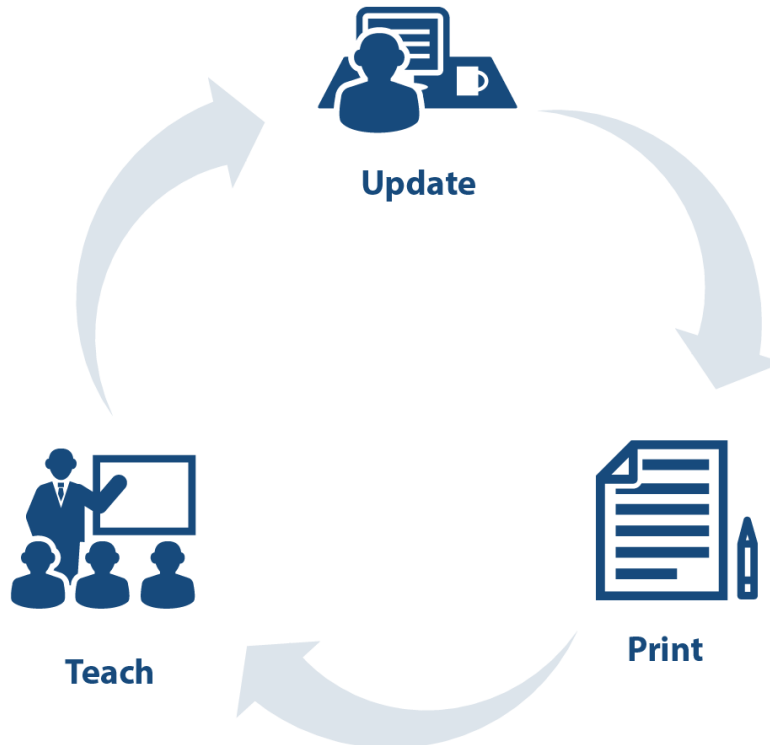
# In the past

- Two divisions offered training for the entire agency, causing trainer burn out.



# In the past

- Materials were time consuming to update, expensive to print and quickly outdated.



# In the past

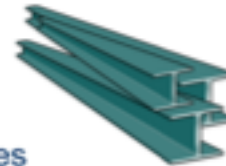
- Too many slides with too much content!

## RCW 82.04.120 "To manufacture"

*"To manufacture" embrace commercial or industrial labor or skill is applied, machinery, to materials thereof a new, different or article of tangible per produced for sale or co industrial use, and shall production or fabricatio custom made articles*

## PURCHASES FOR RESALE

- Custom contracting only
  - Materials
  - Subcontractors
- Purchases of items or services which will be resold without intervening "use as a consumer"
  - Excludes tools, equipment, and supplies



# What we needed

- Core concept Laws and Rules training
- Proven techniques to maximize learning
- Use what we already have – a fantastic agency website!



# Continuous Cycle of Training Trainers

- Initially, 14 trainers attended a 2-day workshop, testing the concepts and curriculum, and practicing the art of storytelling
- Each class has 5 trainers



## **Leads (2-3 people)**

Present majority of curriculum and activities



## **Proctors (2-3 people)**

Assist with questions and lead some examples

- Different mix of trainers for every class, allowing them to learn from each other

# Presenter Notes

#	SLIDE	TALKING POINTS	DOs	EXERCISES
2 5	 <p><b>Manufacturing B&amp;O tax</b></p>	<ul style="list-style-type: none"> <li>• Tax applies to businesses that manufacture <u>in</u> WA</li> <li>• Creating a <u>new, different</u>, or more useful product</li> <li>• <u>Not</u> merely repairing or cleaning an old product</li> <li>• Must report an equal selling activity (either wholesale or retail)</li> <li>• Brief explanation and overview of <u>MATC</u></li> <li>• Briefly go over Manufacturer's Machinery and Equipment Exemption</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Class</b> – Read <b>manufacturing definition in industry guide and manufacturing description</b></li> </ul>	<ul style="list-style-type: none"> <li>• Quick Question – Widget Maker</li> </ul>
2 6				<ul style="list-style-type: none"> <li>• Industry Quiz – Manufacturing</li> <li>• Manufacturing Exercise 1 – Manufacturers</li> </ul>
2 7	 <p><b>Multiple Activities tax credit</b></p>	<ul style="list-style-type: none"> <li>• If you perform more than one taxable activity for the same product, business reports each activity under the proper classification</li> <li>• Take the <u>MATC</u> credit so B&amp;O tax is not paid twice on the same amount</li> <li>• Must complete Multiple Activities Tax Credit, Schedule C</li> </ul>	<ul style="list-style-type: none"> <li>• Go to - <u>Credits</u> page</li> <li>• Click on <u>Multiple Activities Tax Credit</u></li> <li>• <b>Class</b> – Navigate to - <b>Multiple Activities Tax Credit</b></li> <li>• Instructor – Provide Example:               <ul style="list-style-type: none"> <li>○ A business manufactures and sells a product at wholesale in Washington</li> <li>○ Business reports but does not pay both manufacturing and wholesaling B&amp;O tax</li> </ul> </li> </ul>	

Blue – Website Red – Class Activity Green – Instructor Explains/Shows/Does Yellow – Handouts Orange – Visual and/or PowerPoint Slide

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# Interactive Training Elements: Quick Questions – Explain this Concept

Pyramiding Tax





# Interactive Training Elements

## Quizzes - Check Comprehension of Details

<b>Beautician Business Activity</b>	<b>Is the income subject to Sales Tax? (Yes or No)</b>	<b>What B&amp;O classification is the income subject to?</b>	<b>Do any other taxes apply?</b>
Renting out a booth or chair in a salon	No	Service & Other Activities	No
Tips received from customers	No	N/A	No
Tanning	Yes	Retailing	No
Sales of tanning lotions, shampoos and conditioners	Yes	Retailing	Litter Tax
Shampoos and conditioners used for providing hair services to customers	No	N/A	Possibly Use Tax

# Interactive Training Elements

## Exercises – Complete a Tax Return

### S&O Exercise 1: Beautician Activities

All Stars operates a nail salon in Lacey (LSU 3402) and a barber shop in Seattle (LSU 1726).

In Quarter 2, 2017 the shop had the following sales:

a) Manicures	\$31,898.22
b) Haircuts	<u>\$40,830.78</u>
TOTAL:	\$72,729.00

Complete the Quarter 2, 2017 Excise Tax Return

# Interactive Training Elements

## Exercises - Completed Tax Return

### S&O Exercise 1 Answer: Beautician Activities

6	Processing for Hire; Printing/Publishing	10		0.00	0.00	.00484	0.00
7	Manufacturing	07		0.00	0.00	.00484	0.00
8	Royalties	80		0.00	0.00	.00484	0.00
9	Wholesaling	03		0.00	0.00	.00484	0.00
10	Warehousing; Radio & TV Broadcasting; Public Rd Const; Gov Contacting; Chem Dependency Ctr; Canned Salmon Labelers	11		0.00	0.00	.00484	0.00
11	Public or Nonprofit Hospitals; Qualified Food Co-ops	55		0.00	0.00	.015	0.00
12	Cleanup of Radioactive Waste for US Gov	83		0.00	0.00	.00471	0.00
13	Service & Other Activities and/or Gambling Contests of Chance (less than \$50,000 a year)	04	72,729.00	0.00	72,729.00	.015	1,090.94
14	Gambling Contests of Chance (\$50,000 a year or greater)	192		0.00	0.00	.0163	0.00
15	For Profit Hospitals; Scientific R&D	135		0.00	0.00	.015	0.00
16	Retailing of Interstate Transportation Equip	19		0.00	0.00	.00484	0.00
17	Retailing	02		0.00	0.00	.00471	0.00
<b>TOTAL B&amp;O TAX</b>							<b>1,090.94</b>

\*Deductions taken but not itemized on pages 3 and 4 will be disallowed

GROSS AMOUNTS FOR RETAILING AND  
RETAIL SALES MUST BE THE SAME

#### II STATE SALES AND USE TAX

18	Retail Sales (also complete local tax section III)	01		0.00	.065		0.00
19	Use Tax/Deferred Sales Tax (also complete local use tax section III)	05			.065		0.00
<b>TOTAL STATE SALES &amp; USE TAX</b>							<b>0.00</b>

Value of articles used by taxpayer as a consumer on which no Washington sales tax has been paid

#### III LOCAL CITY AND/OR COUNTY SALES AND USE TAX

##### Local Sales Tax (Enter applicable rate of tax.)

Line	Location Code	Taxable Amount	Rate	Tax Due City or Co.
20				0.00
21				0.00
22				0.00
23				0.00
<b>TOTAL TAXABLE</b>				<b>0.00</b>

##### Local Use Tax (Enter applicable rate of tax.)

Line			Tax Due City or Co.
24			0.00
25			0.00
<b>TOTAL VALUE OF ARTICLES</b>			<b>0.00</b>

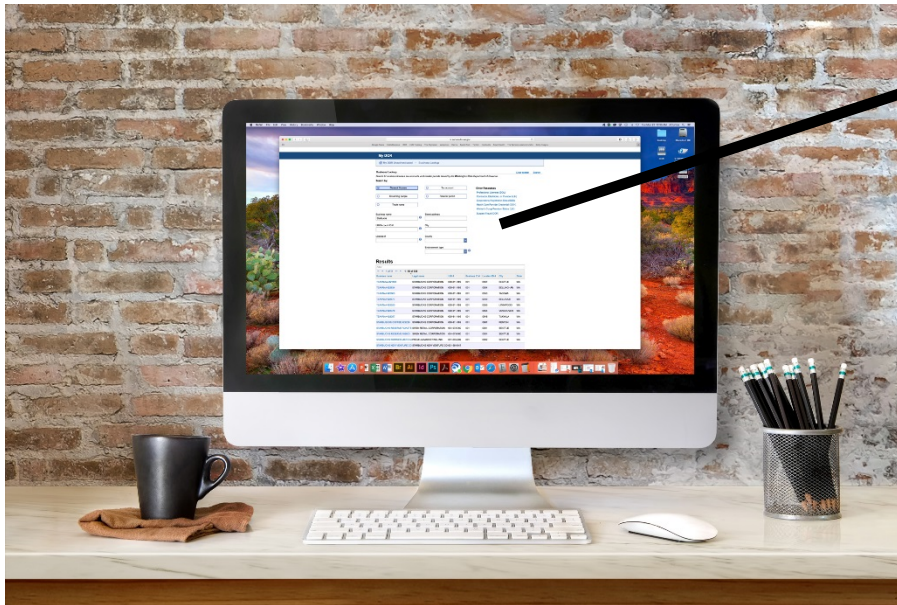
Line	Tax Classification	Code	Rate	Tax Due
26	Motor Vehicle Sales/Leases	120	.003	0.00
27	Litter Tax	36	.00015	0.00

Line	Item	VII TOTALS
28	Total All Tax Due from page 1	1,090.94
29	Total All Tax Due from page 2	0.00
30	Total All Addendums	0.00
31	Subtotal (add lines 28-30)	1,090.94
32	Credit (from page 2)	0.00
33	Subtotal (Line 32 - Line 33)	1,090.94
34	Add Penalty, if applicable	0.00
<b>TOTAL AMOUNT OWED</b>		<b>1,090.94</b>

# Interactive Training Elements

## Teach Backs and Homework

- Teach back – assign a task or concept to each student to research and present to the class.
- Homework – look up the public information available for a business you pass on your way home tonight.



Geography:  Register period:

Trade name:

Business name:  Street address:

Identification ID #:  City:

License #:  County:

Establishment type:

### Results

1 of 10 | 1 - 10 of 100

Business name	Legal name	LIN #	Status
TEAVANA #2100	STARBUCKS CORPORATION	800-671-100	001
TEAVANA #2004	STARBUCKS CORPORATION	800-671-100	001
TEAVANA #2005	STARBUCKS CORPORATION	800-671-100	001
TEAVANA #2007	STARBUCKS CORPORATION	800-671-100	001
TEAVANA #2002	STARBUCKS CORPORATION	800-671-100	001
TEAVANA #2003	STARBUCKS CORPORATION	800-671-100	001
TEAVANA #2001	STARBUCKS CORPORATION	800-671-100	001
STARBUCKS COFFEE #2000	STARBUCKS CORPORATION	800-671-100	001
STARBUCKS RESERVE ROASTS	BREN RETAIL CORPORATION	804-673-700	001
STARBUCKS RESERVE #2000	BREN RETAIL CORPORATION	804-673-700	001

# Interactive Training Elements

## Stories – Connecting the Tax Law

- Stories are told, added on to, and referenced throughout the class. Each session will have a different story dynamic due to the different instructor mix.



## Interactive Training Elements

### Student Picker

# Student Picker

The next student to answer is...

*Emily*

Select a student

# Interactive Training Elements Summary

- Quick Question – explain the concept
- Quizzes – check comprehension of details
- Exercises – complete a tax return
- Teach backs and homework – interactive learning
- Stories – connecting the tax law
- Student picker – randomly selects next student

# Feedback



“I won’t remember all of the tax law, but I do know where to look it up.”



Questions?