Date

Taxpayer

Address

City, Zip

Dear Business Person:

The City of [CITY NAME] periodically contacts businesses and individuals about business activities that may have been or are currently being conducted in the city. Our goal is to inform businesses engaged in business activity to ensure compliance with [CITY NAME]’s business license [INSERT CITY CODE] and business and occupation tax code [INSERT CITY CODE].

The City of [CITY NAME] is aware that beginning July 1, 2008, businesses will have to code the local sales tax to the point of delivery to the customer rather than at the business location at which the delivery originated under new sales tax laws implementing destination-based sourcing of sales taxes. If you are located outside of [CITY NAME] and are merely complying with destination-based sourcing rules without engaging in other business activities within [CITY NAME] (e.g. sales of goods in the city delivered via common carriers without engaging in other business activities) then you do not need a business license.

Engaging in business is defined under SMC 5.30.030(B). It includes but is not limited to such activities as soliciting sales, maintaining accounts, leasing equipment, and operating a business from a [CITY NAME] location. A recent cross-reference between data from the Washington State Department of Revenue and the City of [CITY NAME] shows you are reporting revenues from the [ENTER STATE LOCAL SALES TAX LOCATION CODE] location code. From that data, it appears you may be engaging in business in [CITY NAME] and may need to be licensed.

Please contact me if you believe you have received this notice in error, or you have any questions concerning the letter.

Thank you for your assistance in resolving this matter.