



City of Burlington

Business and Occupation (B&O) Tax

The City of Burlington adopted a B&O Tax program in July of 2020. This was in response to an identified need to broaden our tax base that is currently heavily reliant on sales tax that fluctuates with the overall economy. Detailed below are the details of the program.

Who is responsible to pay the tax? – The City directed the B&O tax to the *retail sector* of Burlington. It is levied on the gross sales (whether subject to retail sales tax or not) over \$1 million – another way of thinking about it is – your first \$1 million is exempted from the tax.

What does Retail include? – “Retailing” means the activity of engaging in making sales at retail and is reported under the retailing classification. “Retail Service” includes the sale of or charge made for personal, business, or professional services including amounts designated as interest, rents, fees, admissions, and other service emoluments however designated, received by persons engaged in business activities.” The City’s B&O Tax Ordinance has a very detailed list of what type of activities qualify – please refer to this document for questions.

How much is the B&O tax? – The tax is 0.001. If your business grossed \$2 million for the calendar year, the first \$1 million would be exempt and you would pay 0.001 on the other million dollars – or \$1,000.

Must Everyone File? – Yes, there is a requirement to file even if your gross sales are less than the minimum threshold. Specifically our Ordinance states; *“Any person whose value of products, gross sales, or gross income of the business, subject to the tax after all allowable deductions, is equal to or less than One Million Dollars (\$1,000,000) in the current calendar year, shall file a return, declare no tax is due on their return, and submit the return to the Finance Director. The gross receipts and deduction amounts shall be entered on the tax return even though no tax may be due.”*

What happens if I do not file or file late? – Per Ordinance NO. 1894, the City will assess late fees and interest. Businesses that do not file at all are subject to the revocation of their Business License.

How often do I need to file? – Businesses with expected annual gross income of \$750k or more must file monthly. All other businesses must file quarterly.

How do I file? – The City has set up an on-line portal for you to set up your account and make payments. You can access this portal through the City’s website. The City has also contract with an outside party – **Azavar** to administer the B&O program so they may be the best source for additional filing questions. File at <https://lata.localgov.org>