

TAX RETURN

Instructions for Completing the Utility User's Tax Return

A Utility User's Tax Return must be completed on a monthly basis and forwarded to the City of Irvine along with the proper remittance. The return and remittance must be received by the last day of the subsequent month. If the return is filed after the proper due date, the appropriate penalties and interest must be remitted with the return.

The following is a line by line explanation of the information required to be included on the return.

Line No.	Title	Description
1	Gross Collections or Charges	Total charges for service, telephone, gas, and electric.
2	Less Exempt Accounts	Sum of the charges to businesses that are exempt from utility user's tax
3	Other Non-Taxed Collections or Charges	Sum of the charges for non-taxable services
4	Taxable Collections or Charges	Sum of line 1 less line 2 and 3
5	Tax Due	Line 4 multiplied by 1.5%
6	Adjustments	Adjustment to the tax due. All adjustments must have an explanation attached to the utility user's tax return.
7	Penalty On Late Payment	Original delinquency (1-30 days): 10% of the original utility user's tax (10% multiplied by Line 5) Continued delinquency (31 + days): and additional 10% of the original tax.
8	Interest On Late Payment	8% interest per month on unpaid balance, calculated with the following formula: $((\text{Line 5} \times 8\%) / 365) \times \text{days delinquent}$
9	Total Tax, Penalty & Interest	Total tax, penalty & interest due: Sum of Line 5, 6, 7, and 8.