Laws and Rules Training
2018 FTA Award Winner

Janet Shimabukuro

June 2018
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- Materials were time consuming to update, expensive to print and quickly outdated.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!
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

<table>
<thead>
<tr>
<th>SLIDE</th>
<th>TALKING POINTS</th>
<th>DOs</th>
<th>EXERCISES</th>
</tr>
</thead>
</table>
| 25    | • Tax applies to businesses that manufacture in WA  
       • Creating a new, different, or more useful product  
       • Not merely repairing or cleaning an old product  
       • Must report an equal selling activity (either wholesale or retail)  
       • Brief explanation and overview of MATC  
       • Briefly go over Manufacturer’s Machinery and Equipment Exemption | • Class – Read manufacturing definition in industry guide and manufacturing description | • Quick Question – Widget Maker |
| 26    | • If you perform more than one taxable activity for the same product, business reports each activity under the proper classification  
       • Take the MATC credit so B&O tax is not paid twice on the same amount  
       • Must complete Multiple Activities Tax Credit, Schedule C | • Go to - Credits page  
       • Click on Multiple Activities  
       • Tax Credit  
       • Class – Navigate to - Multiple Activities Tax Credit  
       • Instructor – Provide Example:  
         - A business manufactures and sells a product at wholesale in Washington  
         - Business reports but does not pay both manufacturing and wholesaling B&O tax | • Industry Quiz – Manufacturing  
       • Manufacturing Exercise 1 – Manufacturers |

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*Department of Revenue, Washington State*
Interactive Training Elements:
Quick Questions – Explain this Concept

Pyramiding Tax
## Interactive Training Elements

### Quizzes - Check Comprehension of Details

<table>
<thead>
<tr>
<th>Beautician Business Activity</th>
<th>Is the income subject to Sales Tax? (Yes or No)</th>
<th>What B&amp;O classification is the income subject to?</th>
<th>Do any other taxes apply?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renting out a booth or chair in a salon</td>
<td>No</td>
<td>Service &amp; Other Activities</td>
<td>No</td>
</tr>
<tr>
<td>Tips received from customers</td>
<td>No</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>Tanning</td>
<td>Yes</td>
<td>Retailing</td>
<td>No</td>
</tr>
<tr>
<td>Sales of tanning lotions, shampoos and conditioners</td>
<td>Yes</td>
<td>Retailing</td>
<td>Litter Tax</td>
</tr>
<tr>
<td>Shampoos and conditioners used for providing hair services to customers</td>
<td>No</td>
<td>N/A</td>
<td>Possibly Use Tax</td>
</tr>
</tbody>
</table>
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 $40,830.78
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

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Rate</th>
<th>Taxable Amount</th>
<th>Total B&amp;O Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Processing for Hire, Printing/Publishing</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>7</td>
<td>Manufacturing</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>8</td>
<td>Royalties</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>9</td>
<td>Wholesaling</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>10</td>
<td>Fraternal Orders of Police: Radio &amp; TV Broadcasting, Other</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>11</td>
<td>Public or Nonprofit Hospitals, Qualified Food Co-ops</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>12</td>
<td>Cleanup of Radioactive Waste for US Gov</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>13</td>
<td>Service &amp; Other Activities and/or Gambling Contests (less than $50,000 a year)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>14</td>
<td>Gambling Contests of Chance ($50,000 or greater)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>15</td>
<td>For Profit Hospitals; Scientific R&amp;D</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>16</td>
<td>Retailing of Interstate Transportation Equip</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>17</td>
<td>Retailing</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**Gross Amounts for Retailing and Retail Sales Must Be the Same**

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Rate</th>
<th>Taxable Amount</th>
<th>Total B&amp;O Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>Retail Sales (also complete local tax section B)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>19</td>
<td>Use Tax/Deemed Sales Tax (also complete local use tax section B)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**II STATE SALES AND USE TAX**

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Rate</th>
<th>Taxable Amount</th>
<th>Total B&amp;O Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>Local Sales Tax (Enter applicable rate of tax.)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>21</td>
<td>Local Use Tax (Enter applicable rate of tax.)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**III LOCAL CITY AND OR COUNTY SALES AND USE TAX**

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Rate</th>
<th>Taxable Amount</th>
<th>Total B&amp;O Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>24</td>
<td>Local Sales Tax (Enter applicable rate of tax.)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>25</td>
<td>Local Use Tax (Enter applicable rate of tax.)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**IV TOTALS**

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Rate</th>
<th>Taxable Amount</th>
<th>Total B&amp;O Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>26</td>
<td>TOTAL VALUE OF ARTICLES</td>
<td></td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>27</td>
<td>TOTAL AMOUNT OWED</td>
<td>1,000.94</td>
<td>1,000.94</td>
<td>1,000.94</td>
</tr>
</tbody>
</table>

Department of Revenue
Washington State
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.
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

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?