

SALES TAX
Instructions for Completing and Filing Form 600

1. In “TIN/SSN”, enter the taxpayer’s Federal Identification Number or Social Security Number.
2. In “Reporting Period”, enter the Quarter and Year (i.e. 2Q02) for the period the tax return covers. The tax return and payment are due 45 days after the end of the calendar quarter. The schedule is as follows:

| Quarter | Months | Due Date |
|-------------------------|-----------------------------|-----------------|
| 1 st Quarter | January, February, March | May 15 |
| 2 nd Quarter | April, May, June | August 15 |
| 3 rd Quarter | July, August, September | November 15 |
| 4 th Quarter | October, November, December | February 15 |

Per Chapter A, Tax Administration Regulations, Section 1.146, Due Dates and Time Determination, “[i]f the due date falls on a Saturday, Sunday, or a legal holiday, then the due date becomes the next working day. The postmark on the envelope determines the timely filing and payment of the tax due.”

3. Check box, if the tax return is amended and indicate what period is being amended in the “Reporting Period”.
4. In “Taxpayer Name”, enter the Business Name.
5. In “Mailing Address”, enter the Business Mailing Address.
6. In “Business Description”, provide a description of the business activities being reported. Each type of activity must be reported separately. For Construction, provide project descriptions on Form 607.

For example: If your business operates a restaurant, hotel and gift shop, list each type of business separately and its gross receipts. If the business has several locations on the Navajo Nation, each location must be reported separately.

7. In “Bus Class”, enter the code which best describes the business. The codes are listed as follows:
 - A – Retail Sales – Restaurants, Grocery Store, Convenience Stores, Automotive Repair, Dry Cleaning, Trading Posts, Pawnshops, etc.
 - B – Hotels/Motels
 - C – Construction Activities
 - D – Professional Services – Accountants, Attorneys, Architectural, Engineering, Environmental Valuation, etc.
 - E – Utilities/Phone/Cable
 - F – Leasing
 - G – Pipelines/Transportation
 - H – Other
8. For sales at retail businesses as described in #7 - A and B, the taxpayer must indicate in which chapter the sale occurred. Attachment A has the numerical code representing each chapter. Enter this code in the “Chp” column.
9. In Column 1, enter all Gross Receipts for each taxable activity for the reporting period. The Sales Tax Statute, Section 609(c) contains a list of exclusions and exemptions.

10. In Column 3, enter the tax amount by multiplying Column 1 by Column 2. Per Section 608 of the Sales Tax Statute, the sales by “government of the Navajo Nation or political subdivision or enterprises thereof, shall be subject to the tax imposed by this Chapter...” based on a phase-in schedule. The schedule is as follows:

| Calendar Year | Percentage of Tax Due | Effective Rate |
|----------------------|------------------------------|-----------------------|
| 2002 | 0% | 0% |
| 2003 | 25% of 3% | .75% |
| 2004 | 50% of 3% | 1.5% |
| 2005 | 75% of 3% | 2.25% |
| 2006 | 100% | 3% |

11. In Line 8, “Subtotal” from lines 1 thru 7.
12. In Line 9, enter the total from Form 601, a continuation sheet.
13. In Line 10, enter the estimated taxes paid and submitted with the Form 145. The Form 145 is a “Request for Extension.” The taxpayer must timely file Form 145 with the estimated tax due on or before the due date (see #2).
14. In Line 11, “Balance Due”, add lines 8 and 9, then subtract line 10.
15. In Line 12, “Interest” will be due for late payment. To calculate interest, multiply the tax due times the number of days late, times the interest rate, divided by the number of days in the year (call our office for the current interest rate). Attach interest calculations with the tax return (i.e. tax due x number of days late x interest rate / number of days in a year = interest).
16. In Line 13, “Penalties” will be due for late filing and late payment. The Uniform Tax Administration Statute, Sections 112(a), 113(a) and 113(b) describes the penalties. Attach penalties calculation with the tax return.
17. In Line 14, “Credit for tax already withheld” applies to contract payments made by the Navajo Nation whereby the 3% Sales Tax has been deducted from payment. For example, currently the Sales Tax is withheld from all construction contract payments made by the Navajo Nation. Enter this amount on line 14 and attach a copy of check stub for verification
18. In Line 15, “Credit for tax paid to township or local government subunit” applies to all transactions in townships or chapters where a local sales tax is in effect. The taxpayer can claim a credit for all taxes paid to the township or local government subunit and apply the credit against taxes due to the Navajo Nation.
19. In Line 16, “Total Tax Due” add lines 11 thru 13, then subtract lines 14 and 15.
20. For payments less than \$10,000, make the check payable to the Office of the Navajo Tax Commission and mail to P.O. Box 1903, Window Rock, 86515. Payments greater than \$10,000 must be wire transferred to the account listed on Form 600. Check the box for wire transfers and indicate the amount being transferred.
21. The taxpayer or duly authorized agent must sign and date the tax return. The individual must print their name and phone number. The taxpayer or authorized agent listed will be contacted, if the Office of Navajo Tax Commission has any questions about the tax return.