



***WMC 3.10.010 – Levy of tax.*** *There is levied upon and there shall be paid a passenger transportation business tax by each passenger transportation business that qualifies and elects to be subject to the tax levied under this chapter. The tax levied under this chapter shall be applicable to each electing, accepted passenger transportation business for so long as the election is effective.*

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## **FREQUENTLY ASKED QUESTIONS ON THE PTBT TAX CODE**

### **Who must register to collect Passenger Transportation Business Tax or Sales Tax?**

*All sellers are **REQUIRED** to register for sales tax collection or PTBT collection. A seller's business may be structured as a sole-proprietor, partnership, or for profit or non-profit corporation.*

### **Who is responsible for paying the tax?**

*The **PTBT** is a consumer tax; therefore the buyer is responsible for paying the tax. The seller (registered business) is **LIABLE** for collection and remittance to the City of Whittier, all taxes collected **AND** those taxes that should have been collected, but may not have been collected.*

### **What are the filing periods for PTBT tax returns?**

*All sellers shall file PTBT tax returns on a **monthly** basis.*

***IF you are a seasonal business, please contact the tax administrator regarding ways to streamline your reporting during the off-season.***

### **Does the PTBT tax apply to return trips also?**

***YES.*** *Each passenger shall be charged entering and leaving Whittier. So it would be \$2.50 out and \$2.50 in for a total of \$5.00 for a round trip. (ie. Each time a passenger is transported into or out of the city shall be counted for purposes of computing this tax. A passenger brought into the city by a taxpayer by bus, who is then transported by the taxpayer outside the city and back into the city by vessel and is then transported outside the city by bus has engaged in 4 events that are counted for purposes of the computation of tax.)*

### **Do I have to submit a PTBT reporting form to the City of Whittier even if I do not have any charters or paying clients for the month?**

***YES.*** *If you choose this method of tax reporting, a PTBT Reporting form **MUST** be filed with the City of Whittier for all 12 months; January – December. If a report is not filed the business owner will be charged a \$100.00 penalty.*

### **Do I have to pay sales tax and PTBT?**

***It depends:*** *You can either file sales tax at the rate of 5% of total unexempted sales, **OR** you can file PTBT, at the rate of \$2.50 per passenger transported for each direction that passenger is transported. **IF** you are only selling transportation services, you must choose one of these two tax methods. However, if you sell other non-transportation related goods or services in Whittier you would be required to collect and remit (sales or PTBT) on the transportation and also to collect and remit sales tax on the other non-exempt goods and services.*

### **Can a return be amended once filed?**

***YES.*** *A return can be amended under certain circumstances outlined by the City of Whittier within one year of the original due date on the return. A refund on the sale can also be obtained. Amending a return beyond one year after the original due date may be allowed if the seller agrees to a desk audit by the City of Whittier.*