Gross Receipts Tax Computation Worksheet

The Gross Receipts Tax Computation Worksheet is designed to help you compute your total Gross Receipts Tax liability before any credits by following a sequential, step-by-step computational process for any taxable gross receipts determined in accordance with Code sections 953.1 through 953.7.

To complete the Gross Receipts Tax Computation Worksheet, please follow the following steps:

1. Enter the appropriate amounts in column A "Gross Receipts" from Form GR-2020;
2. Fill in columns B, C, I, II, III, and IV based on the instructions in the pages immediately following the Gross Receipts Tax Computation Worksheet;
3. Multiply each cell in columns I, II, III, and IV by its corresponding tax rate in columns Tier I Tax, Tier II Tax, Tier III Tax, and Tier IV Tax, and enter the result in those columns;
4. Sum columns Tier I Tax, Tier II Tax, Tier III Tax, and Tier IV Tax in the respective Subtotal row, line 8.
5. Sum all amounts from the Subtotal row, line 8, in Gross Receipts Tax, line 9. This is your total Gross Receipts Tax before any credits.

As a check to confirm that you have correctly followed the instructions above, you can complete the chart on the Gross Receipts Computation Worksheet by following these conceptual instructions:

1. Enter the appropriate amounts in column A "Gross Receipts" from Form GR-2020.
2. Distribute the San Francisco gross receipts from column A line-by-line for each tax rate category with San Francisco gross receipts as follows. Perform the distributions in the same sequence as the Code sections applicable to the tax rate categories.
    a. For the first tax rate category with San Francisco gross receipts, distribute the San Francisco gross receipts to the indicated tax brackets (columns I through IV);
    b. For the next tax rate category with San Francisco gross receipts, if any, distribute the taxable gross receipts to the indicated tax brackets, but start with the tax bracket last used and at the point within that tax bracket reached during the last distribution step; and
    c. Repeat step (b), above, as needed, until you have distributed all San Francisco gross receipts to the applicable tax brackets.
3. Multiply each cell in columns I, II, III, and IV by its corresponding tax rate in columns Tier I Tax, Tier II Tax, Tier III Tax, and Tier IV Tax, and enter the result in those columns;
4. Sum columns Tier I Tax, Tier II Tax, Tier III Tax, and Tier IV Tax in the respective Subtotal row, line 8.
5. Sum all amounts from the Subtotal row, line 8, in Gross Receipts Tax, line 9. This is your total Gross Receipts Tax before any credits.

As an example of the distribution described above, a taxpayer with $600,000 of San Francisco gross receipts under Code section 953.1, $900,000 of San Francisco gross receipts under Code section 953.2, and $2,000,000 of San Francisco gross receipts under Code section 953.3 would distribute its gross receipts as follows:

1. The full amount in cell A1 (Code section 953.1) would be distributed to the Tier I bracket of $0 to $1,000,000 (cell I-1). $400,000 of the Tier I bracket would remain available.

2. The first $400,000 of the amount in cell A2 (Code section 953.2) would be distributed to the Tier I bracket (cell I-2). Because this fills the Tier I bracket ($600,000 from Code section 953.1 plus $400,000 from Code section 953.2), the remaining $500,000 would be distributed to the Tier II bracket of $1,000,001 to $2,500,000 (cell II-2). $1,000,000 of the Tier II bracket would remain available.
3. The first $1,000,000 of the amount in cell A3 (Code section 953.3) would be distributed to the Tier II bracket (cell II-3). Because this fills the Tier II bracket ($500,000 from Code section 953.2 plus $1,000,000 from Code section 953.3), the remaining $1,000,000 would be distributed to the Tier III bracket of $2,500,001 to $25,000,000 (cell III-3).

Once you have completed the Gross Receipts Tax Computation Worksheet, transfer the amount from line 9 to line C2 of Form GR-2020.