

**Comparison of Kelso's B&O Tax Code Deviations from Core Model Ordinance Provisions**

Kelso B&O Tax Provision	Summary of Change from Core Model B&O Tax Ordinance
5.03.040 Definitions	<p><b>Includes additional definitions for the following:</b></p> <ul style="list-style-type: none"> <li>Advance, Reimbursement</li> <li>Agricultural Product</li> <li>Artistic or cultural organization</li> <li>Competitive Telephone Service</li> <li>Consumer</li> <li>Director</li> <li>In this City, within the City</li> <li>Newspaper</li> <li>Non-profit organization or non-profit corporation</li> <li>Office, or Place of business</li> <li>Precious metal bullion or monetized bullion</li> <li>Processing for hire</li> <li>Product</li> <li>Royalties</li> <li>Software, prewritten software, custom software, customization of canned software, master copies, retained rights</li> <li>Tuition fee</li> </ul>
5.03.050 Agency—sales and services by agent, consignee, bailee, factor or	Explains under what conditions a taxpayer is acting merely in the capacity of a broker or agent when selling tangible personal property or services.
5.03.060 Imposition of the tax	<p><b>Tax rates for the following classifications:</b></p> <ul style="list-style-type: none"> <li>Extractor: .001 (.1%)</li> <li>Manufacturer: .001 (.1%)</li> <li>Sales at wholesale: .001 (.1%) <b>(deleted exception language)</b></li> <li>Sales at retail: .001 (.1%)</li> <li>Printing, printing and publishing, publishing newspapers, extracting for hire, and processing for hire: .001 (.1%)</li> <li>Retail services: .001 (.1%)</li> <li>Service &amp; Other: .002 (.2%)</li> </ul> <p>The B&amp;O tax shall not apply to any person with taxable income less than \$20,000 from all activities conducted within Kelso during any calendar year.</p>
5.03.110 Exemptions	<p><b>Exemptions provided for the following:</b></p> <ul style="list-style-type: none"> <li>Non-profit organizations.</li> <li>Healthcare organizations</li> <li>Insurance business</li> <li>Farmers</li> <li>Althetic exhibitions</li> <li>Racing</li> <li>Ride sharing</li> </ul>
5.03.120 Deductions	<p><b>Deductions included for the following:</b></p> <ul style="list-style-type: none"> <li>Non-profit organizations</li> <li>Compensation from public entities for health or social welfare</li> <li>Interest on investments</li> <li>Interest on obligations of the state or its subdivisions</li> <li>Interest on loans to farmers</li> <li>Sales of precious metal bullion</li> </ul>