

**OFFICE OF THE NAVAJO TAX COMMISSION  
ANNUAL REPORT FOR BUSINESS ENTERPRISE  
FOR POSSESSORY INTEREST TAX.**

*Instructions for Form 245-B*

Page 1 (Form 245-B)

**DUE DATE FOR THIS FORM:** On or before MAY 15<sup>TH</sup> OF EACH YEAR. The office uses the post mark to determine timely filing.

**YEAR ENDING:** Ending December 31st of the previous year being filed for. Example for Tax Year 2015, you will reporting on December Ending 2014.

**COMPANY/BUSINESS NAME & ADDRESS:**

Enter the name and address of the company or business being reported.

Complete and mail to: OFFICE OF THE NAVAJO TAX COMMISSION, P.O. Box 1903, Window Rock, AZ 86515. If using express mail, then use ONTC, Hwy 264 – 100 Taylor Rd., Karigan Professional Office Complex, Ste 115, St. Michaels, AZ 86511.

FOR INQUIRES, please call either (928) 871-7513 or (928) 871-6681.

OUR WEBSITE is also available for your convenience. All tax forms and tax laws are available on this site.

A Form 200 must be submitted along with the 245-B.

Page 2 (Form 245-B)

**COMPANY/BUSINESS NAME:** enter name of company or business.

**COMPANY CONFIDENTIAL DATA**

Enter COMPANY/BUSINESS NAME.

**Name of Property:** Enter the name of property if different from the business name above.

**Lease No. or Contract No.:** Enter the business site lease number or contract number assigned to this property by the Navajo Nation or the governing agency/department.

**Name of Operator/Lessee:** The person's name that appears on the business site lease or contract.

**Operator/Taxpayer Federal EIN/TIN/SS#:** Taxpayer's identification number or social security number.

**Address of Operator/Lessee:** Enter the city, state and zip code of the person whose name appears on the business site lease or contract.

**E-mail Address.** A email address for prompt responses to questions and request.

**Name of Company Official Responsible for this Report:** Enter the name of the person that completed this report, his/her telephone number.

**Telephone Number of business owner/operator.**

**Type of Business:** What type of business is being conducted on the lease being reported on this form. For example, retail store, gas station, coin operated laundry, office, repair shop, salon, bank, restaurant, etc.

Check the types of Business/Operation being conducted on your lease. Check the type of business that closely describes the business being operated on the lease. You may have more than one type of business on the same lease. If you have more than one type of business being operated on the same lease, you need to file a separate form 245-B and a form 200 for each business. If none apply, print a description in "OTHER" and explain on a separate piece of paper. All businesses will be summarized on your final statement.

Date Business Started: Enter the date when your business actually began.

Years remaining on lease: How many years remaining on this lease.

Lease renewal options: If your business site lease has a renewal option, enter the number of years.

### **HOTEL & MOTELS ONLY.**

ADR: Average Daily Rate

Number of sleeping rooms for rent to customers.

Average room rates per month in \$. Attached additional sheets.

Occupancy Rate in %.

Enter total revenue from conference room rental, gift shops and restaurant.

### **LAND/LEASE INFORMATION**

Total Number of Acres Under Lease: Enter the total number of acres withdrawn for your business site lease.

LOCATION INFORMATION: Enter the state, county, agency and chapter where the business site is physically located.

Agency (i.e. Western(Tuba City), Central(Chinle), Northern(Shiprock), Ft. Defiance, Eastern(Crownpoint).

Building Information: Enter the total square feet of each building used on the business site lease.

If you need assistance in completing this report, call the Office of the Navajo Tax Commission's Valuation Department at (928) 871-7513. Do not forget to attach a FORM 200 with the Form 245-B.

Page 3 (Form 245-B)

### **CASH FLOW OR PROFIT STATEMENT**

A table is provided on this page. Report the annual profits for each year and provide a projection of your profits into the future for at least 3 years.

COMPANY NAME/BUSINESS: enter the company name or the business name or dba of the business.

YEARS REMAINING LIFE: Enter the estimated remaining life of the business in years.

### **REVENUE IN \$ - ROUND TO THE NEAREST DOLLAR**

Enter the total revenue generated from this business site lease, for each year indicated at the top of each column. Provide a projection of your estimated total revenue for at least 3 years.

### **PRODUCTION COST IN \$ - ROUNDED TO THE NEAREST DOLLAR**

Enter the total operating cost in dollars in the appropriate year's column. Your operating cost should include all (allowable) cost or expenses necessary for the production of your total revenue from the business site lease.

Allowable cost: utilities (gas, water, electricity, sewer charge, fuel, telephone, trash removal), advertising, insurance, salaries (onsite managers & employees only), supplies & materials (office supplies, light bulbs, fuses, etc.), property repair & maintenance, lease/rental payments to the Navajo Nation, and other general operating expenses directly related to the business site lease.

Non-Allowable cost: All non-cash costs, such as depreciation, amortization and interest are not allowable. Property taxes paid to the county are not allowed. ONTC has their own depreciation schedule for equipment, used on items reported on page 4 of this form.

### **PROFIT IN \$ - ROUND TO THE NEAREST DOLLAR**

NET OPERATING INCOME (NOI)

Subtract production/operating cost from the total revenue from above, and enter the result here.

### **INCOME TAXES**

Enter the amount of federal income taxes paid for this business not your individual income taxes.

**INCOME TAXES**

Enter the amount of state income taxes paid for this business, no individual state taxes.

**AFTER TAX INCOME**

Subtract both the income taxes (fed. & state) from the NOI (Net Operating Income) and enter the result.

**CAPITAL COSTS \$**

Under the business site lease income approach this can also be the replacement cost separate from the normal daily or yearly operating cost from above. Capital costs are major direct expenses used on the business site. Do not include corporate overhead cost.

**CASH FLOW OR PROFIT**

Subtract capital cost from the after tax income. The result is your profit. This number is used to calculate the present value of your future net income.

**COMPARABLE SALES DATA**

If your business has been sold within the last five (5) years, provide the sales data, i.e. the \$ amount that this business site lease was sold for. Also provide the buyer or new owner's name, the new owner's address and telephone number. Also attach copies of transfer documents and the effective date.

Page 4 (Form 245-B)

**SCHEDULE OF DEPRECIABLE ASSETS****ORIGINAL COST DATA**

Complete the table provided on this page with the original cost of all equipment, on the lease, in the year it was purchased. For example, if your company bought one vacuum cleaner(Small Scale) for \$200.00 in 2002; a truck(Large Scale) for deliveries for \$15,000 in 2002; and 5 computers(Computer Equipment) for your business in 1999, for \$800.00 each. Multiply 5 computers @ \$800.00 each = \$4,000.00; enter under the column -Computer Equipment, row -1999.

SCHEDULE OF DEPRECIABLE ASSETS ORIGINAL COST DATA							
Year	Small Scale	Large Scale	Computer Equipment	Office Equipment	Environmental	Buildings & Struc.	TOTAL Original Cost
2002	\$200.00	\$15,000.00					\$15,200.00
2001							
2000							
1999			\$4,000.00				\$4,000.00
1998							

For clarification small scale would include, but not limited to such equipment as grease hoist, tire changers, vacuum cleaners, floor polishers, audio visuals, ovens, refrigerators, washers, dryers, walk-in refrigerators, etc. Large scale equipment would include, but not limited to fork lifts, front end loaders, backhoes, vans, pickups, etc.

Page 5 (Form 245-B)

**BUSINESS ENTERPRISE****FOR YEAR ENDED DECEMBER 31<sup>st</sup>.**

Company/Business Name: Enter name of business, company or dba name of the business being reported on this form.

COMPARABLE SALES DATA. If your business has sold within the last five years provide the Sales Data, Buyer, Seller, Property Description and Terms of the Sale and Attach to this form.

**ADDITIONAL INFORMATION**

List any additional information, which you believe should be considered in determining the value of this business.

**A FORM 200 MUST BE SUBMITTED WITH THIS FORM 245-B.****VERIFICATION**

Please read the paragraph for your information, enter the date this form is completed. The taxpayer or his duly authorized agent may sign this form, again in print or type for readability. Enter his or her job title and the company/agent completing this form, if different from the taxpayer's business. Provide a telephone number for this authorized agent.