

**OKLAHOMA BUSINESS ACTIVITY TAX
FOR INDIVIDUALS WHO HAVE A SOLE PROPRIETORSHIP OR REPORT FARM INCOME**

Title 68 O.S. Sections 1215 - 1228

Instructions

TOP OF FORM:

The NAICS code is your North American Industry Classification System code. The six-digit code on your Federal Schedule C, C-EZ or F is based on this classification system. Enter the NAICS code from your primary Schedule C, C-EZ or F; this should be the Schedule with the most revenue.

The Business Activity Tax of \$25 is not due for the first taxable year you began doing business in Oklahoma. However, this form must be completed and enclosed with your income tax return (Form 511 or 511NR).

PART 1:

If you have more than one Schedule C, C-EZ or F, you will complete only one Form 511-BAT. Combine all of your business income (loss) included in your Oklahoma Adjusted Gross Income (Form 511, line 7) or Adjusted Gross Income: Oklahoma Sources (Form 511NR, line 23). Enter the combined revenue on Part 1, line 1 and expenses on Part 2, line 2.

Line 1:

- Enter the gross income from your Federal Schedule C (lines 3 and 6), Schedule C-EZ (line 1) or Schedule F, Part 1 (line 1 plus lines 4 - 10 or the applicable lines from Part 3). Do not include income from royalty or working interest in mineral rights or from real estate rentals. Total Revenue is defined in Title 68 O.S. Section 1217.
- Also enter gains or losses from Sales of Business Property (Federal Form 4797) which flow to the front of the Federal return (Form 1040). Do not include any 4797 gains or losses which flow to the Federal Schedule D.

Line 2:

Enter all ordinary trade or business expenses, including cost of goods sold. Do not include interest, income taxes, depreciation and amortization. Do not include expenses attributable to tax-exempt income.

PART 2:

If you are **not** filing an Oklahoma income tax return and you began your business prior to January 1, 2010, you must pay a Business Activity Tax of \$25 with this form. The tax is due on the same date as the individual income tax return, April 18, 2011.

Mail Form 511-BAT, along with \$25, to:

Oklahoma Tax Commission
Post Office Box 26800
Oklahoma City, OK 73126-0800

If you are filing an Oklahoma income tax return, do **not** complete Part 2. Instead enclose this form with your return. The Business Activity Tax of \$25, if due, will be entered on Form 511, line 21 or Form 511NR, line 41.