

PROMOTERS OF SPECIAL EVENTSPub 550
January
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To better serve you, the Arizona Department of Revenue offers online assistance and filing of your business taxes. To file your taxes online or to register to use the website, go to www.AZTaxes.gov.

This publication is designed to assist promoters of special events in complying with current laws and rules. In case of inconsistency or omission, the Arizona Revised Statutes and/or the Arizona Administrative Code will prevail over the language in this publication. Per ARS §42-1105 G., the operator of a swap meet, flea market, fair, carnival, festival, circus or other transient selling event is required to maintain a current list of vendors conducting business on the premises as sellers. The list shall include each vendor's name, business name and business address. The department may require an operator, on written notice, to submit a copy of the list to the department at any time. In addition, the operator should inform the department if the sales are conducted through a central cash register.

If you conduct a special event, swap meet, or arts and crafts show, you may need an Arizona Transaction Privilege & Use Tax (TPT) license. If you employ personnel other than family members during the special event, you may also need to register for Arizona withholding tax.

FREQUENTLY ASKED QUESTIONS**Q1. May a promoter obtain a TPT license so the individual vendors do not have to obtain a license?**

A1. Yes, promoters of special events may obtain a TPT license. All sales must go through the promoter's central cash register and the promoter will be responsible for filing and paying the TPT. For more information please contact the License Compliance Unit at (602) 716-6438.

Q2. As a promoter, do you also sell retail items?

A2. If yes, you are subject to TPT under the retail classification. Businesses that sell tangible personal property at retail are subject TPT under the retail classification. The sales of crafts may be taxable even if the seller considers the sales a "hobby". For more details please refer to ARS §42-5061.

Q3. As a promoter, do you charge an entrance or admission fee to the event? Do you charge an admission fee to any amusement at your event?

A3. If yes, you are subject to TPT under the amusement

classification. An entry fee, admission and user fees for activities such as, games, rides, horse rides, or balloon rides are subject to the TPT under the amusement classification. For more details, please refer to ARS §42-5073.

Q4. As a promoter, do you sell food or beverages for consumption on the event premises?

A4. If yes, you are subject to TPT under the restaurant classification. Sales of food and beverages for consumption on the premises are subject to TPT under the restaurant classification. If there is an admission fee to the event, all food sales are taxable. For more details, please refer to ARS §42-5074. Businesses selling alcoholic beverages should contact the Arizona Department of Liquor Licenses and Control at 602-545-5141 for information on obtaining a Liquor License.

Q5. As a promoter, do you charge vendors a fee for spaces at your event?

A5. If yes, you may be subject to TPT under the commercial lease classification.

Businesses that lease or rent out commercial property may be subject to TPT. Space rentals at events may be taxable under the commercial lease classification. For more details, please refer to ARS §42-5069.

Q6. As a promoter, do you rent tables, chairs or other tangible personal property which is not included in the fees for spaces at your event?

A6. If yes, you are subject to TPT under the personal property rental classification. Businesses that lease or rent out tables, chairs, public address systems, and other tangible personal property which is not included in the space rental are subject to TPT. The tax base is the *gross income* derived from the business. Gross income from the rental of tangible personal property includes charges for installation labor, insurance, maintenance, repairs, pick-up, delivery, assembly, set-up, personal property taxes and penalty fees even if these charges are billed as separate items, unless a specific statutory exemption, exclusion, or deduction applies. The tax may be added to the cost of the vendor's rental fee. For more details, please refer to ARS §42-5071.

The TPT License

The Arizona Joint Tax Application is used to apply for transaction privilege tax, use tax, withholding, and unemployment insurance. The application is available from the forms link at www.azdor.gov. **E-Business Services** now offers the opportunity to complete the Joint Tax Application online at www.AZTaxes.gov.

Once the license registration is completed, and the business is registered to use the site, businesses may file and pay their TPT, use and withholding taxes online.

Transient promoters are licensed using their home base as the business location. Promoters which operate at more than one location must be licensed for each location but can choose to obtain separate license numbers for each location or to report on a consolidated license.

Licenses are not transferable, if you sell your business or change the business organization (for example, from a sole owner to a partnership or corporation), a new license must be obtained.

TPT Reporting

TPT may be shown as an added charge to the sales price using the tax rate tables or factored out of the sales price. The total tax rate is a combined rate of the state, county and city tax rates. When a business “factors” TPT, it means the tax is included in the total price rather than shown as a separate charge. If you choose to factor the tax, the tax must be calculated using a factoring formula. There are many different factoring formulas depending on city taxes, county taxes or differences in allowable city tax deductions. See Arizona Transaction Privilege Tax Procedure TPP-01 for information about tax factoring.

TPT is reported on Form TPT-1 by county and city business classification using the appropriate abbreviations for county and city. Pertinent state business class codes used on the state reporting form are: 017 for retail sales, 011 for restaurants and bars, 012 for amusements, 013 for commercial lease and 014 for personal property rental. For a list of business codes, tax rates and county codes, refer to the *Arizona State, County and City Transaction Privilege and Other Tax Rate Tables*. Taxes for cities not collected by the department are remitted directly to the city.

All taxpayers are required to report transaction privilege taxes monthly unless specifically authorized or required to report less frequently. For information on quarterly and annual filing, contact the department.

Due Date for Form TPT-1

Arizona Revised Statutes (A.R.S.) § 42-5014 states that Form TPT-1 is **due** on the 20th day of the month following the month (or other reporting period) in

which the tax is collected or accrued. (This date is used for the computation of penalties or interest that applies to returns or payments that are not filed timely.) However, A.R.S. § 42-5014 allows that a return will be considered to be filed timely if it is received by the Department on or before the second to last business day of the month. *A business day is any day except Saturday, Sunday, or a legal Arizona state holiday.*

Taxpayers are subject to penalties and interest for late reporting or late payment of taxes. The mailing address for tax remittance is:

Arizona Department of Revenue
PO Box 29010
Phoenix AZ 85038-9010

Other Licenses

Many businesses will need a TPT license for the city in which they are conducting business. If the city participates in the State collection system, the city TPT license is added to the state TPT license. For a list of the cities and their license fees, see the Arizona Joint Tax Application. Many larger cities license and collect their tax independently. Promoters should contact these cities to obtain tax rate and license information. In addition to the TPT license, many cities require a business permit to conduct business. Contact the city for information about permits.

FOR ADDITIONAL INFORMATION:

~ Call ~

(602) 255-3381

Toll-free within AZ: 1-800-352-4090

~ Write ~

Arizona Department of Revenue
License Compliance Unit
1600 W Monroe St., DC 16
Phoenix AZ 85007

~ Browse ~

www.azdor.gov
www.AZTaxes.gov

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