



Transaction Privilege Tax Changes and News

This publication is an informational notice included with the May 2015 Transaction Privilege Tax Return.

GRAHAM COUNTY JAIL TAX BEGINS JULY 1, 2015

Effective July 1, 2015: On November 4, 2014 Graham County voters approved a new Jail Tax. The tax is up to 0.5% as authorized in A.R.S. §48-4022. As of July 1, 2015 the total combined rate for *most* transactions will be 6.6%.

The new state/county combined rates will be available here:

<http://www.azdor.gov/Business/TransactionPrivilegeTax/TPTRates.aspx>

ATTENTION PROPERTY MANAGEMENT COMPANIES

With the passage of HB2111, the Arizona Department of Revenue (ADOR) now requires individual owners of rental properties to obtain a license. ADOR, in partnership with several stakeholder groups, has developed a simplified process to help Property Management Companies license their clients. The information is available at the Department's website <http://www.azdor.gov/TPTSimplification/ResidentialRental.aspx>.

CITY OF YUMA

Effective May 1, 2015: On March 19, 2015, the City Council of the City of Yuma passed Ordinance Number O2015-015. Ordinance Number O2015-015 amended Ordinance No. O2015-03 which changed the effective date for transferring the collection of the City of Yuma Special Tax of **Two Percent (2%)** to the Arizona Department of Revenue.

Ordinance Number O2015-03 revokes **Model Option 6** of the Model City Tax Code that prohibits the imposition of an additional transient ("hotel") tax as part of the transaction privilege tax.

Ordinance Number O2015-03 transfers the collection of the **Hotel/Motel (Additional Tax) Classification at two percent (2%)**. **YM 144** has been created for reporting purposes.

Ordinance Number O2015-03 transfers the **Restaurants and Bars (Additional Tax) Classification at two percent (2%)**. **YM 111** has been created for reporting purposes.

TOWN OF MARANA

Effective July 1, 2015: On April 28, 2015, the Mayor and City Council of the Town of Marana passed Ordinance No. 2015.011. Ordinance No. 2015.011 amended the tax code of the Town of Marana by increasing the rate of taxation from the existing rate of **two percent (2%)** to a total of **two and one-half percent (2.5%)**. This change affects the following business classifications:

Amusement (business code **MA 012**), Job Printing (business code **MA 010**), Manufactured Buildings (business code **MA 027**), Timbering and Other Extraction (business code **MA 020**), Publishing (business code **MA 009**), Hotel (business code **MA 044**), Commercial Rental, Leasing, and Licensing for Use of Real Property (business code **MA 213**), Rental Occupancy (business code **MA 040**), Rental, Leasing, and Licensing for Use of Tangible Personal Property (business code **MA 214**), Restaurant and Bars (business code **MA 011**), Retail Sales (business code **MA 017**), MRRA (business code **MA 315**), Transporting for Hire (business code **MA 006**), Use Tax: Purchases (business code **MA 029**), Use Tax: Inventory (business code **MA 030**).

The tax rate in the following Business Classes of the Tax Code of the Town of Marana will be increasing from **four percent (4%)** to **four and one-half percent (4.5%)**:

Telecommunication (business code **MA 005**), Utility (business code **MA 004**).

Ordinance 2015.011 adopted Local Option V which modifies Section 8-460-Retail Sales and Section 8-610 Use Tax, of the City Tax Code.

Option V, imposes a two-tier tax on retail sales for single items that exceed \$5,000. When gross receipts from the sale of a **single item** of tangible personal property exceeds **\$5,000**, the **two and one-half percent (2.5%)** shall apply to the first \$5,000. This is reported using (**MA 017**). The portion that exceeds \$5,000 shall be taxed at **two percent (2.0%)** and shall be reported using (**MA 357**).

Option V, imposes a two-tier tax on an amount subject to Use tax that exceeds \$5,000. When a **single item** of tangible personal property subject to Use Tax exceeds **\$5,000**, the **two and one-half percent (2.5%)** shall apply to the first \$5,000. This is reported using (**MA 029**). The portion that exceeds \$5,000 shall be taxed at **two percent (2.0%)** and shall be reported using (**MA 359**).

The tax rates in the following section of the Tax Code of the Town of Marana are excluded from the increase and will remain unchanged:

Construction Contracting (business code **MA 015**) remains at **four percent (4%)**.

Speculative Builders (business code **MA 016**) remains at **four percent (4%)**

Owner-builders (business code **MA 037**) remains at **four percent (4%)**.

Mining - Metal (business code **MA 019**) remains at **one tenth of one percent (.10%)**.

Hotel (Additional Tax) (business code **MA 144**) remains at **six percent (6%)**.



CITY OF BUCKEYE

Effective July 1, 2015: On April 7, 2015, the City Council of the City of Buckeye passed Ordinance Number 04-15. Ordinance Number 04-15 amended the City of Buckeye code Chapter 13 and Article IV section 13-444, and adopted a new section 13-447 relating to Model City Tax Code Levying a Transient Lodging Tax.

Ordinance Number 04-15 revokes **Model Option 6** of the Model City Tax Code that prohibits the imposition of an additional transient ("hotel") tax as part of the transaction privilege tax.

Ordinance Number 04-15 creates **Hotel/Motel (Additional Tax) Classification at three percent (3%)**. For reporting purposes Region Code (**BE**) for **City of Buckeye and Business Code (144) for Hotel/Motel (Additional Tax) will be used.**