



Transaction Privilege Tax Changes and News

This publication is an informational notice for February 2012.

CITY OF LAKE HAVASU CITY

Effective February 1, 2012: On December 20, 2011, the City of Lake Havasu requested that the Arizona Department of Revenue begin to collect their "Bed Tax." This tax was previously collected by the City of Lake Havasu. The department will begin to collect this tax effective February 1, 2012. The name of this tax will be changed from Bed Tax to Hotel/Motel (Additional Tax) to conform with the Model City Tax Code and provide consistency with the department's rate tables.

A new transaction privilege tax classification for the Hotel/Motel (Additional Tax), (**LH 001**) is created with a rate of **three percent (3%)**. **The department will begin collecting this tax with the February 2012 return.**

TOWN OF PARADISE VALLEY

Effective February 1, 2012: On November 17, 2011, the Mayor and Council of the Town of Paradise Valley passed Ordinance Number 637. Ordinance 637 amends the Tax Code of the Town of Paradise Valley by creating an *additional* tax on rental, leasing or licensing for use of non-residential property or property units (commercial lease). The additional tax rate is **eighty five hundredths percent (0.85%)**.

Ordinance 637 creates the transaction privilege tax classification (**PV 313**) for *additional* Commercial lease tax; the additional rate is **eighty five hundredths percent (0.85%)**.

For clarity, the description for Rental of Real Property which uses (**PV 013**) will be changed to Commercial Lease, the rate of **one and sixty-five percent (1.65%)** remains. A new transaction privilege tax classification for Residential Rental (**PV 012**) is created with a rate of **one and sixty-five percent (1.65%)**.

CITY OF TOMBSTONE

Effective March 1, 2012: On December 13, 2011, the Mayor and the Council of the City of Tombstone passed Ordinance 2011-12. Ordinance 2011-12 amends the City of Tombstone's tax code by decreasing the tax rate for the additional tax upon transient lodging from **six percent (6%) to four percent (4%)**.

Ordinance 2011-12 decreases the tax rate for the Hotel/Motel (Additional Tax) Classification (**TS 001**) to **four percent (4%)**.