



Transaction Privilege Tax Changes and News

This publication is an informational notice for June 2011.

TOWN OF TUSAYAN

Effective May 1, 2011: On March 23, 2011, the Mayor and the Council of the Town of Tusayan passed ordinance number 2011-03-23-01. Ordinance 2011-03-23-01 amends the Tusayan code by removing Local Option LL (The tax on Jet Fuel). Ordinance 2011-03-23-01 also amends Sec. 8A-400 by deleting paragraph (3) related to a privilege tax upon persons for the privilege of selling jet fuel, whether derived from residents of the Town or not, or whether derived from within the Town or from without, in accordance with the provisions of Section 8A 422. and deleting the entire Sec. 8A-422 (Jet Fuel Sales).

Ordinances 2011-03-23-01 tax code change affects the following classification:

Jet Fuel (**TY 049**)

CITY OF GLOBE

Effective June 1, 2011: On March 14, 2011, the Mayor and the Council of the City of Globe passed Ordinance 787. Ordinance 787 amends the Globe's City Code by adopting Local Option V, which will implement a two-tier retail tax. Sales of a single item of tangible personal property of \$15,000.00 or less shall be taxed at the current the rate of **two percent (2%)**. Sales of a single item of tangible personal property exceeding \$15,000.00 will have a tax rate of **zero percent (0%)**.

Ordinance 787 tax rate change affects the following classifications:

Retail Sales.

The ordinance will keep the reporting of retail sales for tangible personal property of \$15,000 or less at (**GL 000**).

Sales of tangible personal property exceeding \$15,000.00 will have a tax rate of zero (0%), this will be noted as a footnote on the department's tax rate chart, a code to report this will not be created.

TOWN OF KEARNY

Effective June 6, 2011: On February 21, 2011, the Mayor and the Council of the Town of Kearny passed Ordinance 11-185. Ordinance 11-185 amends Section 480 (d) of the Model City Tax Code by deleting it in its entirety and redesignating it as reserved.

Ordinance 11-185 further amends Ordinance 09-178 and adopts Section 480 of the Model City Tax Code with Option 13 of the Model City Tax Code to the Tax Code of the Town of Kearny, thus disallowing a tax credit against utility tax for franchise fees paid to the city.

Ordinance 11-185 also amends Regulation 8A-350.2 by deleting paragraph (e) (3) (A) related to Recordkeeping for Franchise Fee Payments and redesignating it as reserved.

Taxable activity for utility services should continue to be reported under (**KN 000**)

TOWN OF GUADALUPE

Effective July 1, 2011: On April 28, 2011, the Mayor and Council of the Town of Guadalupe passed Ordinance Number 2011-03. Ordinance 2011-03 amends the Tax Code of the Town of Guadalupe by increasing the general rate of taxation from **three percent (3%)** to **four percent (4%)**.

Ordinance 2011-03 tax rate increase affects the following classifications:

Advertising, Construction contracting: Construction Contracts, Construction Contracting: Speculative Builders, Construction Contracting: Owner builders who are not speculative builders, Manufactured buildings, Timbering and other extraction, Publishing and periodicals distribution, Hotels, Rental, leasing and licensing for use of tangible personal property, Retail sales, Transporting for hire, and Utility services.

The ordinance change affects the Transaction Privilege Tax Classification (**GU 000**).

The increase imposed by this ordinance does not apply to Rental, leasing, and licensing for use of real property which is taxed at the rate of **three percent (3%)** and is reported under (**GU 013**).

This increase imposed by this ordinance shall not apply to contracts entered into prior to the effective date of this Ordinance. Pre-existing contracts should be reported under the Contracts (Prior to July 1, 2011) Classification (**GU 008**).



TOWN OF KEARNY

Effective July 1, 2011: On March 21, 2011, the Mayor and the Council of the Town of Kearny passed Ordinance 11-186. Ordinance 11-186 amends the Town of Kearny's ordinance 09-178 by extending the tax beyond the automatic repeal date of June 30, 2011.

Ordinance 11-186 extends the tax rates at **three percent (3%)** for the following classifications:

Advertising, Amusements, exhibitions, and similar activities, Job Printing, Manufactured Buildings, Timbering and other extraction, Publishing and periodicals distribution, Hotels, Rental, leasing, and licensing for use of tangible personal property, Restaurants and bars, Retail sales; measure of tax; burden of proof; exclusions, Telecommunications services, Transporting for hire, and Utility services.

Ordinance 11-186 extends the tax rates at **four percent (4%)** for the following classifications:

Construction contracting: construction contractors, Construction contracting: speculative builders, Construction contracting: owner builders who are not speculative builders.

The ordinance change affects the Transaction Privilege Tax Classification (**KN 000**), Hotel/Motel (Additional Tax Classification (**KN 003**), and Construction Contracting (**KN 008**).

The increase imposed by this ordinance does not apply to Rental, leasing, and licensing for use of real property which is taxed at the rate of **two and one half percent (2.5%)** and is reported under (**KN 013**).



TOWN OF THATCHER

Effective July 1, 2011: On April 12, 2011, the Mayor and Council of the Town of Thatcher passed Ordinance Number 163-2011. Ordinance 163-2011 amends the Tax Code of the Town of Thatcher by increasing the general rate of taxation from **two percent (2%)** to **two and one-half percent (2.5%)**.

Ordinance 163-2011 tax rate increase affects the following classifications:

Advertising, Amusements, exhibitions, and similar activities, Job printing, Manufactured buildings, Timbering and other extraction, Publishing and periodicals distribution, Hotels, Rental, leasing and licensing for use of tangible personal property, Restaurants and Bars, Retail sales, Telecommunication services, Transporting for hire, Utility services and Use Tax.

The ordinance change affects the Transaction Privilege Tax Classification (**TC 000**), and Use Tax (**TC 002**).

The increase imposed by this ordinance does not apply to Rental, leasing, and licensing for use of real property which is taxed at the rate of **two percent (2%)** and is reported under (**TC 013**).

This increase imposed by this ordinance shall not apply to contracts entered into prior to the effective date of this Ordinance. Pre-existing contracts should be reported under the Contracts (Prior to July 1, 2011) Classification (**TC 008**).



ANNUAL ESTIMATED TAX PAYMENT REMINDER

Why is an annual estimated tax payment due?

Annual estimated tax payment of transaction privilege, telecommunication services excise and county excise taxes are required if:

- Combined tax liability for transaction privilege, telecommunication services excise and county excise taxes in preceding calendar year was \$100,000 or more.
- Or, if you reasonably anticipate a liability for such taxes of \$100,000 or more in the current year.

When did the threshold change?

Effective June 15, 2010, Arizona Revised Statute section 52-5014.D was amended to change the threshold from \$1,000,000 to \$100,000 for years 2010, 2011 and 2012.

When is the due date for this payment?

Due date is June 20. Payment is considered timely if postmarked by June 20, or received by the business day preceding the last business day of June. **In 2011**, the payment must be received no later than June 29.

How do I calculate my payment?

There are two methods available to calculate your June estimated payment:

- One half of the actual tax liability from the month of May.
- Or, the actual tax liability collected from June 1 through June 15.

Can I make my payment electronically?

Yes. If you are already registered to use our website AZTaxes.gov, you can make your payment electronically. Just be sure to select “YES” when asked “Is This a June Estimated Payment”.

Forms and Instructions

- Available to download at www.azdor.gov
- Form numbers are TPT-ES and TPT EST EFT

Contact Information

If you have questions call Taxpayer Information & Assistance at (602) 255-2060.