



# Program City Transaction Privilege Tax Changes and News

This publication is an informational notice for June 2013.

## TOWN OF CHINO VALLEY

**Effective June 1, 2013:** On February 26, 2013, the Mayor and the Common Council of the Town of Chino Valley passed Ordinance Number 13-765. Ordinance 13-765 adopts the 2013 changes to article IV-privilege taxes and makes a provision for pre-existing contracts.

Ordinance 13-765 increases the transaction privilege rate from **three percent (3%)** to **four percent (4%)**. The increase affects business classification code **(CV 000)**.

Ordinance 13-765 does not affect Metalliferous Mining which remains at **one tenth of one percent (.10%)**. This creates business classification code **(CV 001)**

Ordinance 13-765 does not affect Pipeline which remains at **three percent (3%)**. This creates business classification code **(CV 004)**

Ordinance 13-765 does not affect Jet Fuel which remains at **(\$.015) per gallon**, utilizing business classification code **(CV 008)**

Ordinance 13-765 does not affect Rental of Real Property which remains at **three percent (3%)**. This creates business classification code **(CV 013)**.

The increase imposed by this ordinance shall not apply to contracts entered into prior to the effective date of June 1, 2013. Pre-existing Privilege Tax contracts should be reported under the Privilege Tax Contracts (Prior to June 1, 2013) utilizing the newly created business classification code **(CV 006)**, and is taxed at the rate of **three percent (3.0%)**.

## CITY OF KINGMAN

**Effective July 1, 2013:** On April 19, 2013, the Mayor and the Council of the City of Kingman passed Ordinance Number 1749 and Ordinance Number 1751. Ordinance 1749 and Ordinance 1751 amends the city tax code.

Ordinance 1749 **decreased** the *additional* tax rate upon Restaurant and Bar from **two percent (2%)** to **one percent (1%)**. This affects Business Classification **(KM 011)**.

Ordinance 1751 **increased** the Privilege Tax rate from **two percent (2%)** to **two and one-half percent (2.5%)**. This affects Business Classification **(KM 000)**.

Ordinance 1751 **increased** the Use Tax rate from **two percent (2%)** to **two and one-half percent (2.5%)**. This affects Business Classification **(KM 002)**.

Ordinance 1751, does not affect the Metalliferous Mining Classification which remains at **one tenth of one percent (.1%)** and is reported under **(KM 005)**.

Ordinance **1751R** does not affect Rental, Leasing and Licensing of Real Property which remains at **two percent (2%)** and is reported under Business Classification **(KM 013)**. **Pending Council Approval.**

Pre-existing Restaurant and Bar Contracts should be reported under Restaurant and Bar Contracts (Prior to July 1, 2013) utilizing the newly created Business Classification, **(KM 006)** and is taxed at the rate of **two percent (2%)**.

Pre-existing Privilege Tax Contracts should be reported under the Privilege Tax Contracts (Prior to July 1, 2013) utilizing the newly created Business Classification, **(KM 007)** and is taxed at the rate of **two percent (2%)**.

## CITY OF TOMBSTONE

**Effective July 1, 2013:** On May 20, 2013, the Mayor and the Common Council of the City of Tombstone passed Ordinance Number 2013-11. Ordinance Number 2013-11 amends Title 4, Chapter 2, Section 7 of the City Tax Code.

Ordinance 2013-11 increases the general rate of taxation from **two and one half percent (2.5%)** to **three and one-half percent (3.5%)**. This affects the Privilege Tax Classification **(TS 000)**.

Ordinance 2013-11 does not affect Rental of Real Property which remains at **two and one-half percent (2.5%)** and is reported under Business Classification **(TS 013)**.

Ordinance 2013-11 does not affect Metalliferous Mining which remains at **one tenth of one percent (.10%)** and is reported under Business Classification **(TS 005)**.

## **CITY OF SOMERTON**

**Effective August 1, 2013:** On June 4, 2013, the Mayor and the Council of the City of Somerton passed Ordinance Number 2013-002. Ordinance Number 2013-002 amends section 8A-480 to remove the tax credit offset for franchise fees. Effective August 1, 2013 Section 8A-480 *Utility Services* of the Tax Code of the City of Somerton will be amended by deleting paragraph (d) in its entirety and replacing it with the following:

(d) Tax Credit offset for franchise fees. There shall not be allowed as an offset, any franchise fees paid to the City pursuant to the terms of a franchise agreement.

With this amendment, Model Option 13 will be added to Somerton in the official version of the Model City Tax Code, effective August 1, 2013.