



Transaction Privilege Tax Changes and News

This publication is an informational notice for July 2010.

TOWN OF TUSAYAN ADOPTS MODEL CITY TAX CODE AND ENTERS STATE COLLECTIONS AND ADMINISTRATION PROGRAM – CORRECTION

Effective July 1, 2010: On May 18, 2010, the Mayor and Common Council of the Town of Tusayan passed Ordinance Number 2010-05-18-01. Ordinance 2010-05-18-01 adopts the Model City Tax Code for the Town of Tusayan. Ordinance 2010-05-18-01 provides that as of July 1, 2010, the Town of Tusayan will participate in the State Collection and Administration Program.

The following reporting codes have been set up for Tusayan:

Privilege Tax	TY 000	2.0%
Restaurant and Bar	TY 011	4.0%
Additional tax for Hotel/Motel	TY 025	2.0%
Jet Fuel Tax	TY 049	five cents (\$0.05) per gallon.

Per Ordinance 2010-05-18-01, the Town of Tusayan taxes the following classifications:

Advertising, Amusements, Construction contracting: construction contractors, Construction contracting: speculative builders, Construction contracting: owner builders who are not speculative builders, Job printing, Manufactured buildings, Timbering and other extraction, Publishing and periodicals distribution, Hotels, Rental, leasing and licensing for use of real property (exempting residential rental), Rental, leasing and licensing for use of tangible personal property, Restaurants and bars, Retail sales, Telecommunication services, Transporting of hire, Utility services and Jet Fuel Tax.

TOWN OF PAYSON

Effective August 1, 2010: On May 6, 2010, the Mayor and Common Council of the Town of Payson passed Ordinance Number 780. Ordinance 780 increases the additional tax on Hotels/Motels from **three percent (3.0%)** to **five percent (5.0%)**.

Ordinances 780 tax rate increase affects the following classification:

Hotels.

The ordinance change affects the Hotel/Motel (Additional Tax) Classification (**PS 003**).

TOWN OF PARADISE VALLEY

Effective August 1, 2010: On May 28, 2010, the Mayor and Common Council of the Town of Paradise Valley passed Ordinance Number 624. Ordinance 624 increases the additional tax on Hotels/Motels from **three percent (3.0%)** to **three and four-tenths percent (3.4%)**. *Contracts entered into prior to the effective date of August 1, 2010 will continue to report at the rate of three percent (3.0%).*

Ordinances 624 tax rate increase effects the following classification:

Rental, leasing and licensing for use of real property: additional tax upon transient lodging.

The ordinance change creates the Hotel/Motel (Additional Tax) Classification (**PV 025**) and contracts entered into the effective date will continue to report under the Hotel/Motel (Additional Tax) Classification, *Contracts entered into prior to 8/01/2010 (PV 001)*.

IMPORTANT

If you have a Transaction Privilege License or will be applying for one, changes to the law have been enacted that may affect you. These changes include:

- Mandatory renewal and payment of a renewal fee for all Transaction Privilege licenses with an issue date before July 1, 2009. More information will be published and an invoice mailed later in the year. **DO NOT PAY** any renewal fees until your invoice is received.

- An increase in the fee for new Transaction Privilege Tax licenses, an increase in the fee for license updates and for new or additional business locations. The new fee is \$40 and is effective June 15, 2010. The increased fee will remain in effect until June 30, 2011.

Please check our website: www.azdor.gov for the latest information regarding these fee changes.

CHANGES TO ARIZONA WITHHOLDING OPTIONS REVISED FOR WAGES PAID AFTER JUNE 30, 2010

Senate Bill 1185 amended the amounts required to be withheld for Arizona withholding purposes. Through June 30, 2010, the amount required to be withheld was a percentage of federal withholding. For amounts withheld on or after July 1, 2010, the amount required to be withheld will no longer be a percentage of federal withholding. Amounts withheld on or after July 1, 2010, must be based on a table prescribed by the department. The department has prescribed a withholding table based on a percentage of gross taxable wages. "Gross taxable wages" is the amount that will be included in box 1 of the employee's Form W-2 (i.e. gross wages net of pretax deductions, such as the employee's portion of health insurance premiums). **For more information and forms, please go to www.azdor.gov**