



Transaction Privilege Tax Changes and News

This publication is an informational notice for December 2011.

LA PAZ COUNTY JUDGMENT BOND EXCISE TAX EFFECTIVE DECEMBER 1, 2011

On September 12, 2011 the La Paz County Board of Supervisors approved the levy of a La Paz County Judgment Tax effective December 1, 2011. The Judgment Tax is to be applied at 10% of the Transaction Privilege Tax rate levied by the State of Arizona, (.5% or .005 for most business classifications), as authorized in A.R.S. §42-6112. The total combined rate for *most* transactions will be 8.1%.

The new state/county combined rates are available here:

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

The rate change will affect the following classifications:

Class Code	Description	Old Rate	New Rate
002	Non metal Mining	3.75%	4.062%
004	Utilities	7.6%	8.1%
005	Communications	7.6%	8.1%
006	Transporting	7.6%	8.1%
007	Private Railcar	7.6%	8.1%
008	Pipelines	7.6%	8.1%
009	Publishing	7.6%	8.1%
010	Job Printing	7.6%	8.1%
011	Restaurant & Bar	7.6%	8.1%
012	Amusements	7.6%	8.1%
014	Rentals of Personal Property	7.6%	8.1%
015	Prime Contracting	7.6%	8.1%
017	Retail	7.6%	8.1%
025	Transient Lodging (Hotel/Motel)	7.6%	8.15%
037	Owner/Builder Contracting	7.6%	8.1%
049	Jet Fuel Excise Tax	3.66¢	3.965¢

For Prime Contractors and Owner Builders: Any increase in the rate of tax does not apply to contracts entered into or pursuant to written bids made by Prime Contractors or Owner Builders on or before September 12, 2011. To qualify for the reduced rate, the prime contractor or owner builder must maintain documentation to verify the date of the contract or written bid. **Gross income received from Pre-existing Prime Contracts will be reported under Class 122 and from Pre-existing Owner Builder contracts will be reported under Class 123.**

For more information, consult our web site at www.azdor.gov, or contact the department's Taxpayer Information & Assistance Section at (602) 255-2060 or Toll-free from 520 or 928 area code at (800) 843-7196.

CITY OF GOODYEAR

Effective January 1, 2012: On May 23, 2011, the Mayor and the Council of the City of Goodyear passed Ordinance Number 11-1239. Ordinance 11-1239 amends the city tax code by decreasing the food for home consumption rate of taxation from **two and one half percent (2.5%) to two and one-quarter percent (2.25).**

Contracts entered into before the effective date of Ordinance 11-1239 will continue to report at the privilege tax rate of two and one-half percent (2.5%).

Ordinance 11-1239 tax rate increase affects the following classification:

Food for Home Consumption.

The ordinance change creates the Food for Home Consumption Classification (**GY 001**). The decrease imposed by this ordinance shall not apply to contracts entered into prior to the effective date of this Ordinance. Pre-existing Food for Home Consumption contracts should be reported under the Food for Home Consumption, Contracts (Prior to January 1, 2012) Classification (**GY 010**).



CITY OF KINGMAN

Effective January 1, 2012: On September 20, 2011, the Mayor and the Council of the City of Kingman passed Ordinance Number 1716. Ordinance 1716 amends the city tax code by creating an *additional* tax rate upon Restaurant and Bar of **two percent (2%)**.

*Contracts entered into before the effective date of Ordinance 1716 will continue to report at the privilege tax rate of **two percent (2%)**.*

Ordinance 1716 tax rate increase affects the following classification:

Restaurant and Bar: additional tax upon Restaurant and Bar.

The ordinance change creates the Restaurant and Bar (Additional Tax) Classification (**KM 011**). The increase imposed by this ordinance shall not apply to contracts entered into prior to the effective date of this Ordinance. Pre-existing Restaurant and Bar contracts should be reported under the Restaurant and Bar, Contracts (Prior to January 1, 2012) Classification (**KM 004**).