



Transaction Privilege Tax Changes and News

This publication is an informational notice included with the June 2015 Transaction Privilege Tax Return.

GRAHAM COUNTY JAIL TAX BEGINS JULY 1, 2015

Effective July 1, 2015: On November 4, 2014 Graham County voters approved a new Jail Tax. The tax is 0.5% (for most transactions) as authorized in ARS §48-4022. As of July 1, 2015 the total combined rate for *most* transactions will be 6.6%.

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 (beginning 7/1/2015) |
|------------|---------------------------------|----------|-------------------------------|
| 002 | Non metal Mining | 3.437% | 3.75% |
| 004 | Utilities | 6.1% | 6.6% |
| 005 | Communications | 6.1% | 6.6% |
| 006 | Transporting | 6.1% | 6.6% |
| 007 | Private Railcar | 6.1% | 6.6% |
| 008 | Pipelines | 6.1% | 6.6% |
| 009 | Publishing | 6.1% | 6.6% |
| 010 | Job Printing | 6.1% | 6.6% |
| 011 | Restaurant & Bar | 6.1% | 6.6% |
| 012 | Amusements | 6.1% | 6.6% |
| 014 | Rentals of Personal Property | 6.1% | 6.6% |
| 015 | Prime Contracting | 6.1% | 6.6% |
| 017 | Retail | 6.1% | 6.6% |
| 025 | Transient Lodging (Hotel/Motel) | 6.05% | 6.55% |
| 026 | Use Tax-Utilities | 5.6% | 6.1% |
| 029 | Use Tax | 5.6% | 5.6% |
| 030 | Use Tax Inventory | 5.6% | 5.6% |
| 049 | Jet Fuel Excise Tax | 3.355¢ | 3.66¢ |
| 315 | MARRA Amount | 6.1% | 6.6% |

For Prime Contractors: Any increase in the rate of tax does not apply to contracts entered into or pursuant to written bids made by Prime Contractors on or before November 4, 2014. To qualify for the reduced rate, the prime contractor 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 130.**

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.

REVISED FORM 5005

The Department has revised Arizona Form 5005. The new Contractor’s Certificate (Form 5005) may be issued by either a prime contractor, a general contractor working on an MARRA project or the person assuming the responsibility of remitting the tax due on the prime contracting project or the amount equal to retail TPT on materials incorporated into an MARRA project, to a subcontractor.

CITY OF BULLHEAD CITY, CITY OF SOMERTON & CITY OF WILLCOX

Arizona Department of Revenue will no longer accept Revenue Discovery System (RDS) tax return forms. Beginning with the January 2015 reporting period, you are required to file your Transaction Privilege tax liability for Bullhead City, Somerton, and Willcox on the ADOR TPT-1 tax form which is available at www.azdor.gov.

CITY OF YUMA

Effective July 1, 2015: On May 20, 2015, the City Council of the City of Yuma passed Ordinance No. O2015-029. Ordinance No. O2015-029 modifies Local Option V which changes the City of Yuma City Code Title 3, Chapter 37, Section (F)(3) relating to the two-level privilege tax structure on sales/purchases of retail increased the threshold of the dollar value of the single item sold at retail from \$25,000 to \$35,000.

Option V, imposes a two-tier tax on retail sales for single items that exceeds \$35,000. When gross receipts from the sale of a **single item** of tangible personal property exceeds **\$35,000**, the **one and seven tenths percent (1.7%)** shall apply to the first \$35,000. This is reported using (**YM 017**). The portion that exceeds \$35,000 shall be taxed at **zero percent (0%)**.

CITY OF BENSON

Effective August 1, 2015: On May 11, 2015, the Mayor and City Council of the City of Benson passed Ordinance No. 577. Ordinance No. 577 amended the tax code of the City of Benson by increasing the rate of taxation from the existing rate of **two and one-half percent (2.5%)** to a total of **three and one-half percent (3.5%)**. This change affects the following business classifications:

Advertising (business code **BS 018**), Amusement (business code **BS 012**), Job Printing (business code **BS 010**), Manufactured Buildings (business code **BS 027**), Timbering and Other Extraction (business code **BS 020**), Publishing (business code **BS 009**), Hotel (business code **BS 044**), Restaurant and Bars (business code **BS 011**), Retail Sales (business code **BS 017**), Retail Sales Food for Home Consumption (business code **BS 062**), Telecommunication (business code **BS 005**), Transporting for Hire (business code **BS 006**), Utility (business code **BS 004**).

The tax rates in the following section of the Tax Code of the City of Benson are excluded from the increase and will remain unchanged:

Construction Contracting (business code **BS 015**), Speculative Builders (business code **BS 016**), and Owner-builders (business code **BS 037**) remains at **four percent (4%)**.

Mining - Metal (business code **BS 019**) remains at **one tenth of one percent (.10%)**

Hotel (Additional Tax) (business code **BS 144**) remains at **two percent (2%)**.

Residential Rental, Leasing, and Licensing for Use of Real Property (business code **BS 045**), Commercial Rental, Leasing, and Licensing for Use of Real Property (business code **BS 213**), and Rental, Leasing, and Licensing for Use of Tangible Personal Property (business code **BS 214**) remain at **two and one-half percent (2.5%)**.

Retail Sales of a Single Item over \$5,000 (business code **BS 717**) remain at **one percent (1%)**.

TOWN OF CAMP VERDE

Effective August 1, 2015: On May 19, 2015, the Mayor and Common Council of the Town of Camp Verde passed Ordinance No. 2015-A405. Ordinance No. 2015-A405 amended the tax code of the Town of Camp Verde by decreasing the rate of taxation for transaction privilege tax from **three and sixty-five hundredths percent (3.65%)** to **one percent (1%)** on the portion of the single item retail price over \$5,000.00. All tax in the remainder of Section 8-460 and all other sections are excluded from any decrease and remain unchanged.

Ordinance No. 2015-A405 adopted **Local Option V** which modifies Section 8-460 Retail Sales of the Town Tax Code.

Option V, imposes a two-tier tax on retail sales for a single item that exceeds \$5,000. When gross receipts from the sale of a **single item** of tangible personal property exceeds **\$5,000**, the **three and sixty-five hundredths percent (3.65%)** shall apply to the first \$5,000. This is reported using Business Code (**CE 017**). The portion that exceeds \$5,000 shall be taxed at **one percent (1%)** and shall be reported using Business Code (**CE 357**).

TOWN OF WICKENBURG

Effective August 1, 2015: On June 1, 2015, the Mayor and Council of the Town of Wickenburg passed Ordinance Number 1150. Ordinance Number 1150 amended Section 9A-447 of the Town of Wickenburg Tax Code by increasing the **Hotel/Motel (Additional Tax)** from **two percent (2%)** to **three percent (3%)** reported under Business Code (**WB 144**).