

Phoenix Deduction Code Bridge

* The "City of Phoenix Privilege (Sales) Tax Return" and the City's website provided a limited number of deduction codes, shown below. Other than the city deduction codes specified here, the CITY DEDUCTION CODES listings (1 alphabetical, 1 numerical available at [www.azdor.gov/TransactionPrivilegeTax\(TPT\)](http://www.azdor.gov/TransactionPrivilegeTax(TPT))) provide all of the city deduction codes that are available for use on State TPT forms, and list the city business codes under which the deduction codes may be used. Most of the city deduction codes apply in all cities, some "city-specific" deduction codes only apply in the specified cities indicated. An asterisk (*) next to an ADOR Deduction Code shown below, indicates that there are related deduction codes in the CITY DEDUCTION CODES listings that may be more appropriate.

Description	Previous Code Used	ADOR Deduction Codes
Discounts Allowed	52	708
Refund and Returns	53	708
Sales for resale or for lease and leases for release	54	503*
Out-of-State Sales USE ONE OF THE NEXT TWO DEDUCTION CODES (whichever is appropriate)	55	
Motor Vehicle Sold to NONRESIDENT that is shipped OUT-OF-STATE by RETAILER		541
RETAIL - INTERSTATE or FOREIGN COMMERCE Sales		504
Out-of-State Leases of Personal Property (shipped and used exclusively out-of-state)	55	593
50% of Retail Sales to US Government	56	548
Manufacturing Sales to the U.S. Government	57	547*
Medical devices, prosthetics, and prescription drugs (sales and leases) - USE ONE OF THE NEXT FIVE DEDUCTION CODES (whichever is appropriate)	58	
DRUGS - OXYGEN Prescribed by DOCTOR		536
DURABLE MED EQUIP - RX & HCPC # for Home Use		526
HEARING AIDS but not batteries		594
PROSTHETIC <i>RECOMMENDED</i> by DOCTOR		748
PROSTHETIC <i>Prescribed</i> by MEDICAL PROFESSIONAL		559
Gasoline (motor vehicle) and Use Fuel Sales	59	515
Out-of-City Contracting	62	Out-of-city contracting will be reported to the applicable city and/or county.
Out-of-State Contracting	62	681
Retail Service Labor (when itemized)	63	750
Privilege (Sales) Tax Factored or Collected	64	551
Qualifying Healthcare Sales	65	671*
Interstate Telecommunications	66	643
Lottery Ticket Sales	68	521
Exempt (non-local) Advertising [now:] CITY – ADVERTISING EXEMPT (National etc.)	69	790
35% Standard Construction Contracting Deduction	70	502
Subcontracting Income	71	550
Income-Producing Capital Equipment - Sales or Leases (See Model City Tax Code definition provided by Section 110)	73	752*

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Description	Previous Code Used	ADOR Deduction Codes
Freight Out, Shipping or Delivery Charges (when itemized)	74	750
"Other" or Miscellaneous Deductions	75	Misc Codes no longer accepted; please see City Deduction Code Listing *
MRRA - Maintenance, Repair, Replacement or Alteration Projects by Contractor	75	500
Assigned Advertising [now:] CITY – ADVERTISING EXEMPT (National etc.)	80	790
Bad Debts (actual write-offs only)	81	558
Trade-Ins	82	711
Sales and Leases to Mines (Machinery and Equipment)	83	523*
Sales of Food to Commercial Airlines	90	512*
Sales of Tangible Personal Property used in Remediation Projects	91	589
Sales of Food to Schools	92	569*
Food Stamp Sales [Food purchased with SNAP Cards]	93	513