

**015 PRIME CONTRACTING DEDUCTION CODES ALPHABETICAL (REVISED 10-1-2016)**  
**(Cross-Referenced Retail 017 and Use Tax 029 Deduction Codes Provided)**

**CITY DEDUCTION CODES THAT APPLY IN ALL CITIES:**

*(CITY SPECIFIC DEDUCTION CODES THAT ONLY APPLY IN CERTAIN LISTED CITIES ARE SHOWN AT END)*

<b>GENERAL DEDUCTION CODES:</b>	<b>STATE BUSINESS CODES</b>	<b>CITY BUSINESS CODES</b>
<b>551</b> - TAX COLLECTED or FACTORED included in Gross Receipts  <p align="right">(p. 63)</p>	2-4-5-6-7-8-9- 10-11-12-13-14- 15-17-19-25-26- 29-49-51-56	4-5-6-9-10-11-12- 15-16-17-18-19-20- 27-29-37-40-44-45- 49-51-62-111-114- 116-144- 213- 214- 244- 313 - 485
<b>558</b> - BAD DEBT DEDUCTION  (See Arizona Administrative Code ("A.A.C.") rule R15-5-2011)	2-4-5-6-7-8-9-10- 11-12-13-14-15- 17-19-25-26-29- 41-49-51-56	4-5-6-9-10-11-12-15- 16-17-18-19-20-27- 29-37-40-44-45-49- 51-62-111-114-116- 144- 213- 214- 244- 313 -485
<b>PRIME CONTRACTING (015 – STATE AND CITY))</b> <b>MRRA AMOUNT (315 – STATE AND CITY))</b> <b>CITY BUSINESS CODES: OWNER BUILDER (037)</b> <b>SPECULATIVE BUILDER (016)</b> <b>MANUFACTURED BUILDINGS (027)</b>	<b>STATE BUSINESS CODES:</b> <b>15 - 315</b>	<b>CITY BUSINESS CODES:</b> <b>15 – 16 – 27 - 37</b> <b>- 315</b>
<b>508</b> - AIRCRAFT sold to CARRIER, GOVT, NONRES  <p align="right">(p. 43, 9 &amp; 15, 24 &amp; 29)</p>	14 – 17 - 29	17 – 29 - 214
<b>608</b> - PC: COST of <b>508</b> DED in Gross Income  <p align="right">(p. 52)</p>	15 - 315	15 – 16 – 37 - 315
<b>606</b> - BUS or URBAN MASS TRANSIT VEHICLE  <p align="right">(p. 43, 10, 25)</p>	14 – 17 - 29	17 – 29 - 214
<b>706</b> - PC: COST of <b>606</b> DED in Gross Income  <p align="right">(p. 52)</p>	15 - 315	15 – 16 – 37 - 315
<b>595</b> - CLEAN ROOM for SEMICONDUCTORS  <p align="right">(p. 43, 52, 11, 26)</p>	14 – 15 – 17 – 29 - 129	15 – 16 – 17 – 29 – 37 - 214
<b>565</b> - COMPUTER DATA CENTER EQUIPMENT  <p align="right">(p. 8, 22)</p>	17 - 29	17 - 29
<b>665</b> - PC: COST of <b>565</b> DED in Gross Income  <p align="right">(p. 52)</p>	15 - 315	15 – 16 – 37 - 315
<b>589</b> - ENVIRONMENTAL RESPONSE & REMEDIATION  <p align="right">(p. 44, 50, 4 &amp; 7, 18 &amp; 22)</p>	2 - 15 – 17 - 29	15 – 17 - 29
<b>607</b> - ENVIRONMENTAL TECH FACILITY  <p align="right">(p. 42, 50, 12)</p>	14 – 15 – 17 - 29	17 - 29
<b>581</b> - GROUNDWATER MEASURING DEVICES  <p align="right">(p. 43, 50, 10, 25)</p>	14 – 15 – 17 - 29	15 – 16 – 17 – 29 – 37 - 214

**PRIME CONTRACTING (OWNER-BUILDER, SPEC BUILDER, MFTRD BUILDING, MRRR AMOUNT) DEDUCTION CODES**

Page Numbers (p.) refer to the Location of each code in the STATE STATUTORY AUTHORITY document.

	STATE BUSINESS CODES	CITY BUSINESS CODES
<b>752</b> - INCOME PRODUCING CAPITAL EQUIP - ANCILLARY M&E TO TREAT WASTE	N/A	17 – 29 - 214
<b>782</b> - PC: COST of <b>752</b> DED in Gross Income	N/A	15 – 16 – 37 - 315
<b>532</b> - M&E to Repair CARRIER AIRCRAFT (p. 43, 10, 25)	14 - 17 - 29	17 – 29 - 214
<b>632</b> - PC: COST of <b>532</b> DED in Gross Income (p. 52)	15 - 315	15 – 16 – 37 - 315
<b>585</b> - M&E used for COMMERCIAL AGRICULTURE Crops and Products (p. 43, 10, 25)	14 – 17 - 29	SEE CITY SPECIFIC CODE <b>585</b> BELOW
<b>685</b> - PC: COST of <b>585</b> DED in Gross Income (p. 52)	15 - 315	SEE CITY SPECIFIC CODE <b>685</b> BELOW
<b>523</b> - M&E for COMMERCIAL MINING Operation Used Directly extract ores or minerals (p.43, 8, 23)	14 – 17 – 29 - 129	17 – 29 - 214
<b>623</b> -PC: COST of <b>523</b> DED in Gross Income(p.52)	<b>15 - 315</b>	<b>15 – 16 – 37 - 315</b>
<b>579</b> - M&E used to DRILL or EXTRACT OIL or GAS for Commercial Purposes (p. 43, 10, 25)	14 – 17 – 29 - 129	17 – 29 - 214
<b>679</b> - PC: COST of <b>579</b> DED in Gross Income (p. 52)	15 - 315	15 – 16 – 37 - 315
<b>524</b> - M&E for ELECTRIC UTILITY business (p. 43, 8, 24)	14 – 17 – 29 - 129	17 – 29 - 214
<b>624</b> - PC: COST of <b>524</b> DED in Gross Income (p. 52)	15 - 315	15 – 16 – 37 - 315
<b>597</b> - M&E to meet FED & STATE POLLUTION Rules or Regulations (p. 43, 11, 26)	14 – 17 – 29 - 129	17 – 29 - 214
<b>697</b> - PC: COST of <b>597</b> DED in Gross Income (p. 52)	15 - 315	15 – 16 – 37 - 315
<b>554</b> - M&E used in HEALTHY FOREST PROJECT (p. 12, 27)	17 - 29	N/A
<b>654</b> - PC: COST of <b>554</b> DED in Gross Income (p. 52)	15 - 315	N/A
<b>522</b> - M&E used directly in MANUFACTURING, PROCESSING, FABR, PRINTING Etc. (p. 43, 8, 23)	14 – 17 – 29 - 129	17 – 29 - 214
<b>622</b> - PC: COST of <b>522</b> DED in Gross Income (p. 52)	15 - 315	15 – 16 – 37 - 315
<b>599</b> - M&E to PREVENT POLLUTION Farm Ranch (p. 43, 52, 11, 26)	14 – 15 – 17 - 29	15 – 16 - 37

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Page Numbers (p.) refer to the Location of each code in the STATE STATUTORY AUTHORITY document.

	STATE BUSINESS CODES	CITY BUSINESS CODES
<b>577</b> - M&E for POULTRY & EGG Production (p. 43, 11, 26)	14 – 17 – 29	17 – 29 - 214
<b>677</b> - PC: COST of <b>577</b> DED in Gross Income (p. 52)	15 - 315	15 – 16 – 37 - 315
<b>553</b> - M&E used in RESEARCH & DEVELOPMENT (p. 43, 10, 25)	14 - 17 – 29 - 129	17 – 29 - 214
<b>653</b> - PC: COST of <b>553</b> DED in Gross Income (p. 52)	15 - 315	15 – 16 – 37 - 315
<b>539</b> - M&E Etc to TELECOMMUNICATIONS Business (p. 43, 8, 23)	14 - 17 – 29 - 129	17 – 29 - 214
<b>639</b> - PC: COST of <b>539</b> DED in Gross Income (p. 52)	15 - 315	15 – 16 – 37 - 315
<b>578</b> - M&E for TV STATION DIGITAL BROADCAST (p. 43, 11, 26)	14 – 17 - 29	17 – 29 - 214
<b>678</b> - PC: COST of <b>578</b> DED in Gross Income (p. 52)	15 - 315	15 – 16 – 37 - 315
<b>570</b> – BUSINESS ACTIVITY for ENROLLED <b>NATIVE AMERICAN</b> or TRIBAL ENTITY that OCCURS <u>ON</u> A RESERVATION <i>STATE BUS CODES can ONLY be used with INDIAN RESERVATION REGION CODES.</i>  <i>CITY BUS CODES 4 and 5 can be used by ALL CITIES.</i>  <i>All Other CITY BUS CODES can ONLY be used for business activities ON RESERVATIONS located within the City Limits of CAMP VERDE (CE), GLENDALE (GE) or PARKER (PK).</i>	4 – 5 - 6 - 9 - 10 - 11 - 12 - 13 - 14 - 15 - 17 - 25 – 29	4 - 5 - 6 - 9 - 10 - 11 - 12 - 15 - 16 - 17 - 27 - 44 - 144 - 213 – 214 - 313
<b>573</b> -TPP/ PC: <b>NONPROFIT</b> ORG <b>APT</b> HOUSING for Low Income Persons Over 62 (p. 43, 52, 4, 16)	14 – 15 – 17 - 29	N/A
<b>544</b> - TPP to <b>NONPROFIT</b> ORG that gives <b>FREE</b> MEALS to <b>NEEDY</b> on a regular basis (p. 43, 4, 18)	14 – 17 - 29	N/A
<b>644</b> - PC: COST of <b>544</b> DED in Gross Income (p. 52)	15 - 315	N/A
<b>575</b> - TPP to <b>NONPROFIT</b> ORG for <b>HANDICAP</b> Program (p. 43, 5, 18)	14 – 17 – 29	17 – 29 – 114 - 214
<b>675</b> - PC: COST of <b>575</b> DED in Gross Income (p. 52)	15 - 315	15 – 16 – 37 - 315
<b>502</b> - PC: 35% DEDUCTION Allowed (p. 50)	15	15 – 16 - 37

**PRIME CONTRACTING (OWNER-BUILDER, SPEC BUILDER, MFTRD BUILDING, MRRA AMOUNT) DEDUCTION CODES**

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	STATE BUSINESS CODES	CITY BUSINESS CODES
<b>557</b> - PC: Cost of ARCHITECTURAL or ENGINEERING Service (p. 55)	15	15 – 16 - 37
<b>690</b> - PC: DESIGN PHASE or PROFESSIONAL SERVICES (p. 56)	15	N/A
<b>560</b> - PC: DEVELOPMENT FEES paid (p. 53)	15	15 – 16 - 37
<b>673</b> - PC: DOMESTIC VIOLENCE SHELTER (p. 52)	15	N/A
<b>683</b> - PC: ENVIRONMENTALLY CONTROLLED POULTRY / EGG FACILITY (p. 52)	15	15 – 16 - 37
<b>663</b> - PC: FURNITURE APPLIANCES not incorporated into MFTRD BLDG (p. 50)	15	27
<b>555</b> - PC: HEALTHY FOREST Structure (p. 53)	15	N/A
<b>681</b> - PC: INCOME from OUT-OF-STATE Projects	15	15 – 16 - 37
<b>600</b> - PC: Install Repair Etc of TPP that has INDEPENDENT FUNCTIONAL UTILITY (p. 51)	15	15 – 16 - 37
<b>518</b> - PC: LAND DEDUCTION not exceeding Fair Market Value (p. 50)	15	N/A
<b>698</b> - PC: LAUNCH SITE Construction (p. 52)	15	N/A
<b>689</b> - PC: LAWN MAINTENANCE SERVICES (p. 55)	15	15
<b>500</b> - PC: MAINTAIN-REPAIR-REPLACE-ALTER (MRRA) CONTRACT with PROPERTY OWNER (p. 58)	15	15 – 16 - 37
<b>694</b> - PC: MANUFACTURED BLDG delivered OUT-OF-STATE (p. 55)	15	N/A
<b>668</b> - PC: MANUFACTURED BLDG RESALE to DEALER (p. 50)	15	27
<b>667</b> - PC: MILITARY REUSE ZONE PROJECTS (p. 50)	15	N/A
<b>719</b> - PC: MIXED WASTE PROCESS FACILITY (p. 53)	15	N/A
<b>696</b> - PC: STATE UNIVERSITY RESEARCH INFRASTRUCTURE PROJECT (p. 53)	15	N/A
<b>550</b> - PC: SUBCONTRACTING INCOME (p. 54)	15	15
<b>686</b> - PC: TERMITE or PEST TREATMENT (p. 53)	15	15
<b>562</b> - PC: Sale of USED MFTRD HOME (p. 50)	15	27
<b>535</b> - PIPES VALVES 4" or LARGER for WATER-OIL-GAS-COAL SLURRY including related (p. 43, 9, 24)	14 – 17 – 29 - 129	17 – 29 - 214
<b>635</b> - PC: COST of <b>535</b> DED in Gross Income (p. 52)	15 - 315	15 – 16 – 37 - 315
<b>712</b> – PROPERTY Sold to Contractor for MRRA Project on an INDIAN RESERVATION (p. 52, 8, 22)	15 - 17 - 29 - 315	17 – 29 - 315

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	STATE BUSINESS CODES	CITY BUSINESS CODES
<b>572</b> - TPP to <b>QUALIFIED COMMUNITY HEALTH CENTER</b> (p. 43, 4, 18)	14 – 17 - 29	4 – 9 – 10 – 11 – 17 – 29 – 62 – 111 – 114 - 485
<b>672</b> - PC: COST of <b>572</b> DED in Gross Income (p.52)	15 - 315	15 – 16 – 37 - 315
<b>545</b> - TPP to <b>QUALIFIED HEALTH CARE ORG</b> used for Health & Medical Purposes ONLY (p. 32, 37, 36, 37, 49, 43, 4, 17)	4 – 8 – 9 – 10 – 11 – 14 – 17 - 29	<i>SEE RELATED CITY CODE 671 BELOW</i>
<b>645</b> - PC: COST of <b>545</b> DED in Gross Income (p. 52)	15 - 315	<i>N/A</i>
<b>671</b> - <u>CITY</u> SALES TO <b>QUALIFIED HEALTH CARE ORG</b>	<i>SEE RELATED STATE CODE 545 ABOVE</i>	4 - 9 - 10 - 11 – 17- 29 - 49 - 51 – 111 – 114 - 214 - 485
<b>771</b> - PC: COST of <b>671</b> DED in Gross Income	<i>N/A</i>	15 – 16 – 37 - 315
<b>574</b> - TPP to <b>QUALIFIED HEALTH CARE ORG</b> for handicapped children (p. 43, 4, 17)	14 – 17 - 29	114 - 214
<b>674</b> - PC: COST of <b>574</b> DED in Gross Income (p. 52)	15 - 315	<i>N/A</i>
<b>699</b> - TPP to <b>QUALIFYING HEALTH SCIENCES EDUCATIONAL INSTITUTION</b> (p. 36, 37, 43, 4, 18)	9 – 10 – 14 – 17 – 29	9 – 10 – 17 – 29 – 214
<b>799</b> - PC: COST of <b>699</b> DED in Gross Income (p. 52)	15 - 315	<i>N/A</i>
<b>546</b> - TPP/SVC to <b>QUALIFIED HOSPITAL</b> for ANY PURPOSE (p. 32, 37, 36, 37, 49, 43, 4, 17)	4 - 8 - 9 - 10 - 11 - 14 - 17 - 29	4 - 9 - 10 - 11 - 17 – 29 - 49 - 51 – 111 - 114 - 214 - 485
<b>646</b> - PC: COST of <b>546</b> DED in Gross Income (p. 52)	15 - 315	15 – 16 – 37 - 315
<b>576</b> - RAILROAD Stock Rails Signal Equipment (p. 43, 10, 25)	14 – 17 - 29	17 – 29 - 214
<b>676</b> - PC: COST of <b>576</b> DED in Gross Income (p.52)	15 - 315	15 – 16 – 37 - 315
<b>591</b> - TPP Used by <b>SATELLITE TV-DATA TRANSMISSION SERVICE</b> (p. 43, 10, 25)	14 – 17 - 29	17 – 29 - 214
<b>691</b> - PC: COST of <b>591</b> DED in Gross Income (p. 52)	15 - 315	15 – 16 – 37 - 315
<b>538</b> - SOLAR ENERGY DEVICES (p. 43, 52, 14, 27)	14 – 15 – 17 - 29	15 – 16 – 17 – 29 – 37 - 214
<b>754</b> - PART IMPROVED PROP SOLD BY/TO <b>SPEC BLDR</b>	<i>N/A</i>	16

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	STATE BUSINESS CODES	CITY BUSINESS CODES
<b>753</b> - SPEC BLDR: RECONSTRUCT - PRIOR VALUE	N/A	16
<b>552</b> – TPP sold to TPT Licensee for Incorporation into PRIME CONTRACTING or MRRRA Project (p. 44, 4, 18)	2 – 17 - 29	17 - 29
<b>584</b> – TPP sold to Form 5009L Subcontractor for Incorporation into PRIME CONTRACTING Project (p. 44, 4, 18)	2 – 17 - 29	17 - 29
<b>751</b> - TELEC UTIL EQUIP USED/BILLED TO CUST	N/A	17 – 29 - 214
<b>781</b> - PC: COST of <b>751</b> DED in Gross Income	N/A	15 – 16 – 37 - 315
<b>708</b> - VENDOR DISCOUNTS or CUSTOMER RETURNS (p. 63, 64)	2-4-5-6-7-8-9- 10-11-12-13-14- 15-17-19-25-26- 29-49-51	4-5-6-9-10-11-12- 15-16-17-18-19-20- 27-29-37-40-44-45- 49-51-62-111-114- 116-144- 213- 214- 244- 313 - 485

**CITY SPECIFIC DEDUCTION CODES:**

**THE FOLLOWING CITY DEDUCTION CODES MAY ONLY BE TAKEN IN THE SPECIFIC CITIES LISTED**

		CITY BUSINESS CODES
<b>CITY SPECIFIC DEDUCTION CODE:</b> <b>732</b> - EXEMPT CONTRACTING FT HUACHUCA <b>CITY: SR</b>	N/A	15 – 16 - 37
<b>CITY SPECIFIC CODE:</b> <b>728</b> – DAVIS MONTHAN BASE TRANSACTIONS <b>CITY:</b> <b>TU.</b>	N/A	4 – 5 – 11 – 15 – 16 – 17 - 37
<b>CITY SPECIFIC DEDUCTION CODE:</b> <b>726</b> - EXEMPT TRANSACTIONS WITH GOVERNMENT AGENCIES <b>CITIES:</b> <b>CF.DC.EG*.FH.FD.GI*.GU.HY*.JO.KN.MM.</b> <b>OR.PV.PK.PS.SO.TL.TS.WT.WC.WL.WM.</b> <b>*[EXEMPTION RESTRICTED]</b>	N/A	4-5-9-10-11-12- 15-16-17-18-19- 20-27-29-37-44- 45-49-144-213- 214-244 - 313 - 485

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		CITY BUSINESS CODES
<b>CITY SPECIFIC DEDUCTION CODE:</b> <b>585 - M&amp;E</b> used for <b>COMMERCIAL AGRICULTURE</b> Crops and Products <b>CITIES:</b> <b>BE.CG.DC.FH.LH.MA.MP.PK.PM.TU.WC.</b>	SEE STATE CODE <b>585 ABOVE</b>	17 – 29 - 214
<b>CITY SPECIFIC DEDUCTION CODE:</b> <b>685 - PC: COST of 585 DED</b> in Gross Income <b>CITIES:</b> <b>BE.CG.DC.FH.LH.MA.MP.PK.PM.TU.WC.</b>	SEE STATE CODE <b>685 ABOVE</b>	15 – 16 – 37 - 315
<b>CITY SPECIFIC DEDUCTION CODE:</b> <b>733 - SPEC BLDR: EXEMPT COST OF LAND</b> <b>CITIES:</b> <b>DC.NO.PA.TU.WS.</b>	N/A	16
<b>CITY SPECIFIC DEDUCTION CODE:</b> <b>734 - SPEC BLDR: EXEMPT FAIR MKT VALUE OF LAND</b> <b>CITIES:</b> <b>BH.CE.DL.KM.LH.MH.PK.PM.PP.PR.PL.</b> <b>QZ.SF.SE.SL.TL.WC.</b>	N/A	16
<b>CITY SPECIFIC DEDUCTION CODE:</b> <b>727 - TAX MORATORIUM - REAL PROPERTY</b> <b>CITIES:</b> <b>DC.EL.TU.</b>	N/A	15 – 16 – 37 – 45 - 213

**LEGEND (Abbreviations):**

<b>AMUSE:</b> AMUSEMENT	<b>COMM LS:</b> COMMERCIAL LEASE
<b>DED or DEDUCT:</b> DEDUCTION	<b>FET:</b> FEDERAL EXCISE TAX
<b>JOB PR:</b> JOB PRINTING CLASSIFICATION	<b>M &amp; E:</b> MACHINERY and EQUIPMENT
<b>MCTC:</b> MODEL CITY TAX CODE	
<b>MFTG or MFTR or MFTRD BLDG:</b> MANUFACTURING or MANUFACTURER or MANUFACTURED BUILDING	
<b>MMAR:</b> MANUFACTURER, MODIFIER, ASSEMBLER or REPAIRER	
<b>MV:</b> MOTOR VEHICLE	<b>ORG:</b> ORGANIZATION
<b>PC:</b> PRIME CONTRACTING	
<b>PPR:</b> PERSONAL PROPERTY RENTAL (CLASSIFICATION)	
<b>PROP:</b> PROPERTY	<b>RET:</b> RETAIL
<b>RX:</b> PRESCRIBED	
<b>SNAP:</b> SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM	
<b>SVC:</b> SERVICE	<b>TPP:</b> TANGIBLE PERSONAL PROPERTY
<b>TELEC:</b> TELECOMMUNICATIONS (CLASSIFICATION)	
<b>TR LODG or TRANS LODG:</b> TRANSIENT LODGING (CLASSIFICATION)	
<b>TRANSPO:</b> TRANSPORTING (CLASSIFICATION)	<b>TX:</b> TAX
<b>UTIL:</b> UTILITIES or UTILITIES CLASSIFICATION	<b>USGOV:</b> UNITED STATES GOVERNMENT