



# Transaction Privilege Tax Changes and News

This publication is an informational notice for October 2013.

## **YUMA COUNTY HEALTH SERVICES DISTRICT TAX INCREASE EFFECTIVE OCTOBER 1, 2013**

**Effective October 1, 2013:** On June 17, 2013 the Yuma County Board of Supervisors approved an increase in the Health Services District Tax **effective October 1, 2013**. The Health Services Tax is to be applied at 0.112% on most transactions, as authorized in A.R.S. §48-5805. The total combined rate for *most* transactions will be 6.712%.

The new state/county combined rates will be available soon at [www.azdor.gov](http://www.azdor.gov).

The rate change will affect the following classifications:

Class Code	Description	Old Rate	New Rate
002	Non metal Mining	3.805%	3.812%
004	Utilities	6.7%	6.712%
005	Communications	6.7%	6.712%
006	Transporting	6.7%	6.712%
007	Private Railcar	6.7%	6.712%
008	Pipelines	6.7%	6.712%
009	Publishing	6.7%	6.712%
010	Job Printing	6.7%	6.712%
011	Restaurant & Bar	6.7%	6.712%
012	Amusements	6.7%	6.712%
014	Rentals of Personal Property	6.7%	6.712%
015	Prime Contracting	6.7%	6.712%
017	Retail	6.7%	6.712%
025	Transient Lodging (Hotel/Motel)	6.698%	6.71%
029	Use Tax	5.6%	5.6%
030	Use Tax Inventory	5.6%	5.6%
037	Owner/Builder Contracting	6.7%	6.712%

**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 June 17, 2013. 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 126 and from Pre-existing Owner Builder contracts will be reported under Class 127.**

## **CITY OF SUPERIOR**

**Effective December 1, 2013:** On September 5th, 2013, the Mayor and the Council of the Town of Superior passed Ordinance Number 117. Ordinance Number 117 amends the Town Code by increasing the general rate of taxation from two percent (2.0%) to four percent (4.0%), makes a provision for pre-existing contracts and designates an effective date of December 1, 2013.

Ordinance 117 Increases the Privilege Tax from **two percent (2.0%) to four percent (4.0%)**. The affects Business Classification (**SI 000**).

Ordinance 117 does not affect Rental of Real Property which remains at **two percent (2.0%)** and is reported under Business Classification (**SI 013**).

Ordinance 117 does not affect Metalliferous Mining which remains at **one tenth of one percent (.10%)** and is reported under Business Classification **(SI 005)**.

Pre-existing Privilege Tax Contracts should be reported under the Privilege Tax Contracts (Prior to December 1, 2013) utilizing the newly created Business Classification, **(SI 008)** and is taxed at the rate of **two percent (2%)**.

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## **CITY OF SEDONA**

**Effective January 1, 2014:** On October 8, 2013, the Mayor and the Council of the City of Sedona passed Ordinance Number 2013-07. Ordinance Number 2013-07 increases the additional tax upon transient lodging from three percent **(3%)** to three and one half percent **(3.5%)**, effective January 1, 2014.

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## **E911 Excise Tax**

**Effective January 1, 2014:** Beginning **January 1, 2014**, prepaid wireless telecommunications retailers rather than service providers will be liable for remitting the E911 excise tax on prepaid wireless telecommunications service. **Laws 2012, Chapter 198 (HB 2094)** established a prepaid wireless telecommunications E911 excise tax (A.R.S. §§ 42-5401 through 42-5404). The tax is 0.80% of the gross proceeds of sales or gross income from the retail sale of prepaid wireless telecommunications services. Retailers are authorized to retain 3% of the cost of the tax that they collect from their customers. The tax is to be reported under Business Class 912. Retailers should use the following formula for calculating the 3% that they may retain:

Multiply the gross receipts from retail sales of prepaid wireless telecommunications services by 3%. This amount should be taken as a deduction from the gross amount. For purposes of the prepaid wireless telecommunications excise tax, the gross amount should not include the tax collected. Use deduction code 564 to report the allowed deduction. The tax rate of .008 should be applied to the net taxable amount to arrive at the total tax amount. A sample of how a transaction would appear on a Form TPT-1 is shown below:

Gross Amount	Deduction Amount	Net taxable Amount	Tax Rate	Total Tax Amount
1000.00	30.00	970.00	.008	7.76