City of Apache Junction

Home of the Superstition Mountains

DATE: MAY 18, 2026

TO: MAYOR AND CITY COUNCIL MEMBERS

THROUGH: BRYANT POWELL, CITY MANAGER

FROM: ROB WISLER, ASSISTANT CITY MANAGER

SUBJECT: LIVESTOCK FEED AS PART OF THE MODEL CITY TAX CODE (MCTC)

Purpose

Mayor Wilson and Councilman Cross have requested to discuss the transaction privilege tax (TPT, commonly referred to as sales tax) on livestock/poultry feed. The City elected to collect this tax as part of the City's Tax Code in 1979. This item will be on the May 18th Work Session agenda and, if Council desires to proceed, Staff will schedule the item for Direction to Staff at a future City Council meeting.

Background/Discussion

Just after the City was established in January 1979, one of the first ordinances, Ord. No. 4, enacted a 1% TPT on every transaction in the City that wasn't pre-empted by State or Federal Law. This included "selling any tangible personal property – personal property which may be seen, weighed, measured, felt, touched, or is in any other manner perceptible to the senses – whatsoever at retail or to the ultimate consumer." Though livestock feed is not directly mentioned, this very broad definition does cover it. No State Law exempted the City from charging it. In 1987, the State adopted the Model City tax Code (MCTC), a standardized TPT system for all Cities and Towns to follow. This system is far more categorical than the original tax code utilized by the City and also creates several local options that cities may elect or elect not to charge. When the City Council adopted the MCTC with Ord. No. 588, the old tax code was applied to the new MCTC model, which included livestock feed. Though there have been changes in the MCTC since, none has impacted livestock feed, which remains in effect today. A business that opened in the 2010s was found to be out of compliance in not paying the TPT on livestock feed; the City addressed the issue, and the business subsequently came into full compliance.

In 2016, the State Legislature eliminated the State TPT for livestock and poultry feed. This had no impact on the Citywide TPT.

Livestock feed is included in the TPT retail category and there is no way to break apart the category for analysis to understand what the fiscal impact would be to the City if it were to be eliminated.

Next Steps

If Council wishes to proceed, staff will place the item for Direction to Staff at the June 2nd Council Meeting.

Public Input

This item will require an ordinance and public hearing before Council action.

Attachments

Staff have attached to Legistar for reference Ord. No. 4, Ord. No. 588, and minutes of the September 1, 1987 City Council Meeting