


JULY 11, 2017

MEMORANDUM TO: HONORABLE MAYOR AND COUNCIL
THROUGH: BRYANT POWELL, CITY MANAGER
FROM: KATHLEEN CONNELLY, CITY CLERK 
SUBJECT: DIRECTION TO STAFF ON CHAPTER 8 CHANGES

Instead of providing you with a copy of the entire Chapter 8 of the City Code (51 pages) and a lengthy memo, I have created a power point which will illustrate key portions of the current proposed revisions to this chapter and corresponding section of the city tax code.

Please note that your discussion item on July 17th addresses only the most immediate changes in the area of general business licensing, community and civic events, temporary food and beverage vendors and the tax code section dealing with the city's fee for a transaction privilege tax license.

I will bring back other sections of this chapter at a later date. In addition to the power point, I have included copies of the TPT license fees for other cities /towns, the section of the city tax code that needs to be revised, Pinal County Health Department Policy Statement on temporary food establishments and a Arizona Department of Revenue notice that as of July 1, 2017, applicants for a TPT license must pay for it at the time of making application.

Please contact me if you have any questions.

Name (as shown on page 1)	FEIN or SSN (as shown on page 1)
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SECTION I: State/County & City License Fee WorksheetALL FEES ARE SUBJECT TO CHANGE. Check for updates at www.azdor.gov.**IMPORTANT LICENSE FEE INFORMATION:** If you are licensing for a city that has an additional city license fee, the city license fee per location may be billed to you separately within 45 days.

To calculate CITY FEE: Multiply No. of Locations by the License Fee and enter sum in License Subtotal.

City/Town	Code	No. of Loc's	License Fee	License Subtotal	City/Town	Code	No. of Loc's	License Fee	License Subtotal	City/Town	Code	No. of Loc's	License Fee	License Subtotal
Apache Junction	AJ		\$50.00		Goodyear	GY		\$5.00		Sahuarita	SA		\$5.00	
Avondale	AV		\$0.00		Guadalupe	GU		\$2.00		San Luis	SU		\$2.00	
Benson	BS		\$5.00		Hayden	HY		\$5.00		Scottsdale	SC		\$50.00	
Bisbee	BB		\$1.00		Holbrook	HB		\$1.00		Sedona	SE		\$2.00	
Buckeye	BE		\$2.00		Huachuca City	HC		\$2.00		Show Low	SL		\$2.00	
Bullhead City	BH		\$2.00		Jerome	JO		\$2.00		Sierra Vista	SR		\$1.00	
Camp Verde	CE		\$2.00		Kearny	KN		\$2.00		Snowflake	SN		\$2.00	
Carefree	CA		\$10.00		Kingman	KM		\$2.00		Somerton	SO		\$2.00	
Casa Grande	CG		\$2.00		Lake Havasu	LH		\$5.00		South Tucson	ST		\$2.00	
Cave Creek	CK		\$20.00		Litchfield Park	LP		\$2.00		Springerville	SV		\$5.00	
Chandler	CH		\$50.00		Mammoth	MH		\$2.00		St. Johns	SJ		\$2.00	
Chino Valley	CV		\$2.00		Marana	MA		\$5.00		Star Valley	SY		\$2.00	
Clarkdale	CD		\$2.00		Maricopa	MP		\$2.00		Superior	SI		\$2.00	
Clifton	CF		\$2.00		Mesa	ME		\$20.00		Surprise	SP		\$10.00	
Colorado City	CC		\$2.00		Miami	MM		\$2.00		Taylor	TL		\$2.00	
Coolidge	CL		\$2.00		Nogales	NO		\$0.00		Tempe	TE		\$50.00	
Cottonwood	CW		\$2.00		Oro Valley	OR		\$12.00		Thatcher	TC		\$2.00	
Dewey/Humboldt	DH		\$2.00		Page	PG		\$2.00		Tolleson	TN		\$2.00	
Douglas	DL		\$5.00		Paradise Valley	PV		\$2.00		Tombstone	TS		\$1.00	
Duncan	DC		\$2.00		Parker	PK		\$2.00		Tucson	TU		\$20.00	
Eagar	EG		\$10.00		Patagonia	PA		\$0.00		Tusayan	TY		\$2.00	
El Mirage	EM		\$15.00		Payson	PS		\$2.00		Wellton	WT		\$2.00	
Eloy	EL		\$10.00		Peoria	PE		\$50.00		Wickenburg	WB		\$2.00	
Flagstaff	FS		\$46.00		Phoenix**	PX		\$50.00		Willcox	WC		\$1.00	
Florence	FL		\$2.00		Pima	PM		\$2.00		Williams	WL		\$2.00	
Fountain Hills	FH		\$2.00		Pinetop/Lakeside	PP		\$2.00		Winkelman	WM		\$2.00	
Fredonia	FD		\$10.00		Prescott	PR		\$5.00		Winslow	WS		\$10.00	
Gila Bend	GI		\$2.00		Prescott Valley	PL		\$2.00		Youngtown	YT		\$10.00	
Gilbert	GB		\$2.00		Quartzsite	QZ		\$2.00		Yuma	YM		\$2.00	
Glendale	GE		\$35.00		Queen Creek	QC		\$2.00						
Globe	GL		\$2.00		Safford	SF		\$2.00						

Subtotal City License Fees (column 1)	Subtotal City License Fees (column 2)	Subtotal City License Fees (column 3)
\$	\$	\$

AA TOTAL City License Fee(s) (column 1 + 2 + 3) \$

	No. of Loc's	Fee per Location	TOTAL
BB TOTAL State License Fee(s): Calculate by multiplying number of business locations by \$12.00		\$12.00	\$
Residential Rental License Fees - Only Chandler, Phoenix, and Scottsdale			
Multiply the number of units per locations by \$2.00 (\$50.00 Annual Cap per license).	No. of Units	No. of Loc's	City Fee
<div style="border: 1px solid black; padding: 5px; width: fit-content;"> ONLY CHANDLER, PHOENIX, and SCOTTSDALE should use this section. DO NOT use the fee chart above to calculate license fees. The amount for each city CANNOT EXCEED \$50.00 </div>	Residential Rental License-Chandler		\$
	Residential Rental License-Phoenix		\$
	Residential Rental License-Scottsdale		\$

CC TOTAL City Residential Rental License Fees (Add Chandler, Phoenix, & Scottsdale) \$

DD TOTAL DUE (Add lines AA + BB + CC) \$

- Make check payable to Arizona Department of Revenue.
- Do not send cash.
- Include FEIN or SSN on payment.
- License will not be issued without full payment of fee(s).

**If your only business is under Class 213, Commercial Lease, there is no license fee due.

Article III - Licensing and Recordkeeping

Sec. ____-320. License fees; annual renewal; renewal fees

(a) The Transaction Privilege and Use Tax License shall be valid upon receipt of a non-refundable license fee of _____ dollars (\$____.00), except for a license to engage in the business activity of residential or commercial real property rental, leasing, and licensing for use as separately identified in this Section. The Transaction Privilege and Use Tax License shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate application for license renewal and paying an annual license renewal fee of _____ dollars (\$____.00) for each license, subject to the limitations in A.R.S. 42-5005. Such annual renewal fee shall be due and payable on January 1 of each year and shall be considered delinquent if not paid and received on or before the last business day of January.

**(b) The Transaction Privilege and Use Tax License to engage in the business activity of residential real property rental, leasing, and licensing for use shall be valid only upon receipt of a non-refundable license fee of _____ dollars (\$____.00). The Transaction Privilege and Use Tax License shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate application for license renewal and paying an annual license renewal fee of _____ dollars (\$____.00) for each license, subject to the limitations in A.R.S. 42-5005. Such fee shall be due and payable on January 1 of each year and shall be considered delinquent if not paid and received on or before the last business day of January.

Model Option #16:

(b) The Transaction Privilege and Use Tax License to engage in the business activity of residential real property rental, leasing, and licensing for use shall be valid only upon receipt of a non-refundable license fee of _____ dollars (\$____.00) per rental unit up to a maximum of _____ dollars (\$____.00). The Transaction Privilege and Use Tax License shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate application for license renewal and paying an annual license renewal fee of _____ dollars (\$____.00) per rental unit up to a maximum of _____ dollars (\$____.00) for each license, subject to the limitations in A.R.S. 42-5005. Such fee shall be due and payable on January 1 of each year and shall be considered delinquent if not paid and received on or before the last business day of January. For the purpose of calculating annual license renewal fee due subject to the limitations in A.R.S. 42-5005(K), the single municipal privilege tax license renewal fee shall be based on the business location in this City/Town with the greatest number of rental units.)**

(c) The Transaction Privilege and Use Tax License to engage in the business activity of commercial real property rental, leasing, and licensing for use shall be valid only upon receipt of a non-refundable license fee of _____ dollars (\$____.00). The Transaction Privilege and Use Tax License shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate application for license renewal and paying an annual license renewal fee of _____ dollars (\$____.00) for each license, subject to the limitations in A.R.S. 42-5005. Such fee shall be due and payable on January 1 of each year and shall be considered delinquent if not paid and received on or before the last business day of January.



Environmental Health Services Substantive Policy Statement SPS-EHS-2013-01

Substantive Policy Statements

Substantive Policy Statements (SPS's) are written expressions that are strictly advisory and inform the general public of the Pinal County Environmental Health Services Department's current approach to, or opinion of, the requirements of ordinances or regulations, including, where appropriate, the Department's current practices, procedures or methods of action based on that approach or opinion. In accordance with A.R.S. §11-1601, SPS's do not include internal procedural documents that only affect internal procedures of the Department and do not impose additional requirements or penalties on regulated parties or confidential information.

Permitting of Temporary Food Establishments

Arizona Food Code defines a Temporary Food Establishment as a food establishment that operates for a period of no more than 14 consecutive days in conjunction with a single event or celebration. A Temporary Food Establishment permit is only valid during the duration of the specific event. The Special Event Notification form is typically submitted by the event coordinator. This notifies the Department of an event and is used to determine if an event qualifies to allow for temporary food service.

The following are examples of events or celebrations that are typically considered for permitting of Temporary Food Establishments:

- Special Events – a transitory public gathering that takes place at a specific location for a specific purpose that is associated with a fair, carnival, parade, circus, public exhibition, holiday celebration, or trade show.
- Tasting Events – events including but not limited to wine tastings, BBQ competitions, and chili cook-offs, in which an entrance fee entitles the consumer to food service in conjunction with the event and where there is no point of sale directly at the booths.
- Grand Openings – one-time events celebrating the opening of a new business.
- Fundraisers – one-time events where funds are raised for bona-fide charitable organizations.
- Transitory Sporting Events – one-time events such as annual soccer tournaments, baseball playoffs, etc.

Temporary Food Service permits are not intended as a substitute for other food service permits for establishments that operate on persistent or ongoing basis. The following are examples of activities and/or locations that a Temporary Food Establishment permit does not typically apply:

- A restaurant or bar.
- A concession stand.
- A mobile food unit, pushcart, or food peddler.
- A seasonal food establishment.
- A swap meet or flea market.
- A farmer's market or similar public market.
- A non-commercial social event such as a private party.
- A potluck.

Individual vendors apply via the Application for a Temporary Food Booth. This application is not typically considered unless it is in conjunction with an approved special event (see Special Event Notification above).

In order to allow adequate time for processing, complete applications should be submitted to the Department at least two weeks prior to the event. Incomplete or late application may be grounds for denial of permit.



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TPT License Fees To Resume For Taxpayers With Business Locations

Effective January 1, 2017, the Arizona Department of Revenue (ADOR) became the single point of administration and collection of transaction privilege tax (TPT) by adding the 14 previously self-collecting cities. The changeover to centralized licensing, reporting and payment of state and city TPT to ADOR began with the January 2017 tax return, which was due in February.

Since January, taxpayers with locations in one of those 14 cities were not assessed the license fee at the time of application, but may have been billed at a later date.

Beginning July 1, 2017, all applicants for a TPT license will be charged license fees for all cities and towns when submitting a new application or updating a license application for those cities that impose an annual license fee.

Applicants can reference license fees on [page 4 of the Joint Tax Application \(JT-1\)](#). Applicants who are only engaged in residential rental should reference the license fees on [page 2 of the Residential Rental Transaction Privilege Tax Application](#).

Taxpayers with any questions or seek more information can contact the Department of Revenue's Customer Care Call Center at: 602-255-3381 or toll-free: 800-352-4090.

Posted on Wednesday, June 28, 2017 (Archive on Saturday, July 08, 2017)

Return

Online Services



For Individuals:



For Business:

- License a New Business
- Business Tax NAICS Description Codes
- Verify a TPT License
- AZ TPT Rate Look Up

