

## **SERVICES**

### **ARE MY SERVICES TAXABLE?**

Some services are taxable when they fall under an activity that is taxed by the City of Prescott Tax Code. To assume that your business is a service and not taxable may lead to an assessment of back taxes plus penalties and interest due.

### **ADVERTISING**

Local advertising using billboards, direct mail, radio, television, periodicals, or any other means to deliver or disseminate information to the public, is a taxable business activity.

### **AMUSEMENTS**

Any activity such as movies, theaters, concerts, circuses, fairs, races, golfing, bowling, skating, video games, dances, billiards, or tennis where fees are charged to participate and/or exhibit are taxable.

### **CONSTRUCTION CONTRACTING**

Construction Contracting is not limited to the construction of buildings, but includes alterations, repairs, additions, subtractions, improvements, moving, wrecking or demolition work done to any building, highway, road, railroad, excavation, or other structure. This includes painting, yard work, earthmoving and digging, installation of carpet and appliances, electrical work, plumbing work, and some interior design work.

## **RENTAL, LEASING, AND LICENSING FOR USE OF TANGIBLE PERSONAL PROPERTY**

Rental, leasing and licensing for use of tangible personal property is not just the rental of equipment or machinery, but includes the use of carwash facilities, washer/dryer machines, lawn mowers, furniture, sports equipment, clothing, pumps, video movies and vehicles.

### **TELECOMMUNICATIONS**

Telecommunications activities include voice, sound, or video communications, facsimile transmissions, relay or repeater services, and timesharing activities of a computer using a communications channel. Such activities such as phone service, beepers, fax machines, computer networks using telephone lines, and monitoring security systems, are examples of telecommunications.

### **TRANSPORTATION FOR HIRE**

Transportation for hire is the business activity of transporting persons or property by railway, aircraft, motor vehicles, and pipeline. This includes, but is not limited to, such activities as taxicabs, shipping, bus lines, limousine services, railroads, and gas & oil pipelines. Businesses engaged in transporting for hire may be exempt if they are subject to the tax imposed in Article III, Chapter 4, Title 42, Arizona Revised Statutes or if the gross income is derived from the operation of a governmentally adopted and controlled program to provide urban mass transportation.

## **OTHER ACTIVITIES**

If you think your business might be taxable, you may obtain copies of the guidelines relating to that business activity or a free copy of the tax code. If you have any questions regarding the requirements, please contact the Sales Tax Department at (928) 777-1268.

# PRESCOTT PRIVILEGE TAX

## SERVICES



This publication is for general information regarding Transaction Privilege (Sales) Tax on various service activities. For complete details, refer to the City of Prescott Privilege & Use Tax Code and related regulations. In the case of an inconsistency or omission in this publication, the language of the Tax Code will prevail. The transaction privilege tax is commonly referred to as a sales tax, however, under State of Arizona law, the tax is on the privilege of doing business in Prescott and is not a true sales tax.

To view a complete copy of the tax code, please go to: <http://www.cityofprescott.net>



**City of Prescott  
Finance Department  
Tax & Licensing Division  
201 S. Cortez Street  
P O Box 2077  
Prescott, AZ 86302**

For more information please contact:

928 777-1268 Taxpayer Assistance Rep  
928 777-1231 Privilege Tax Auditor  
928 777-1247 Privilege Tax Supervisor

**June 2013**