

07/07/10

CITY OF PHOENIX TAXES AND FEES

The STATE TAX consists of the following:

- 6.0 % -- State of Arizona (Prop 100 temporary 1% increase 6/1/10 to 5/31/13)
 - .5 % -- County Freeway Tax (Approved by Voters in 1985)
 - .2 % -- County Jail Tax (Approved by voters in 11/98), effective 1/1/1999
 - .6 % -- Statewide Education Tax (Approved by voters – 2000), effective 6/1/2001
- 7.3 % Total Rate

This tax applies to:

- Water Base Charge
- Water User Charges
- Water Environmental Charges
- Reclaimed Water Charge

The CITY TAX consists of the following: P.V. City Tax is 1.4% (As of 1/1/99)

- 2.7 % -- Utility Services Tax - City Code Sec 14-480, effective 6/5/1985

This tax applies to:

- Water Base, User and Other Charges
- Water Environmental Charges

- 2.7 % -- Wastewater Removal Services Tax- City Code Sec 14-485, effective 7/1/1988

This tax applies to:

- Sewer Base, User and Other Charges
- Sewer Environmental Charges

Other Fees and Taxes: (Based on 5/8 inch meter)

- \$2.00 -- Jail Tax (Based on Meter Size)
City Code Sec 37-65(a), effective 1/1/91, amended 8/1/08
- .05 -- State Refuse Charge (Per Dwelling Unit) ("Landfill Fee")
Approved by State Legislature on 8/1/91 ARS 49-836
- .0049 -- Drano Tax (\$.005 per dwelling unit OR \$.01 for 2 units of water)
Approved by State Legislature on 1/1/91 for Disposal of Hazardous Waste
ARS 42-5302
- .70 -- Stormwater Fee (Based on Meter Size)
To help meet EPA environmental mandates for stormwater
City Code Sec 37-65(b), effective 10/1/92, amended 7/1/10

Phoenix City Code

Sec. 14-480. Utility services.

(a) The tax rate shall be at an amount equal to **two and seven-tenths** percent of the gross income from the business activity upon every person engaging or continuing in the business of producing, providing, or furnishing utility services, including electricity, electric lights, current, power, gas (natural or artificial), or water to:

- (1) Consumers or ratepayers who reside within the City.
- (2) (Reserved.)

(b) *Exclusion of certain sales of natural gas to a public utility.* Notwithstanding the provisions of subsection (a) above, the gross income derived from the sale of natural gas to a public utility for the purpose of generation of power to be transferred by the utility to its ratepayers shall be considered a retail sale of tangible personal property subject to Sections 14-460 and 14-465, and not considered gross income taxable under this Section.

(c) *Resale utility services.* Sales of utility services to another provider of the same utility services for the purpose of providing such utility services either to another properly licensed utility provider or directly to such purchaser's customers or ratepayers shall be exempt and deductible from the gross income subject to the tax imposed by this Section, provided that the purchaser is properly licensed by all applicable taxing jurisdictions to engage or continue in the business of providing utility services, and further provided that the seller maintains proper documentation, in a manner similar to that for sales for resale, of such transactions.

(d) *Reserved.*

(e) The tax imposed by this section shall not apply to sales of utility services to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when sold for use in activities resulting in gross income from unrelated business income as that term is defined in 26 United States Code section 512.

(f) The tax imposed by this Section shall not apply to sales of natural gas or liquefied petroleum gas used to propel a motor vehicle.

(g) The tax imposed by this Section shall not apply to:

- (1) Revenues received by a municipally owned utility in the form of fees charged to persons constructing residential, commercial or industrial developments or connecting residential, commercial or industrial developments to a municipal utility system or systems if the fees are segregated and used only for capital expansion, system enlargement or debt service of the utility system or systems.
- (2) Revenues received by any person or persons owning a utility system in the form of reimbursement or contribution compensation for property and equipment installed to provide utility access to, on or across the land of an actual utility consumer if the property and equipment become the property of the utility. This exclusion shall not exceed the value of such property and equipment.

(h) The tax imposed by this Section shall not apply to sales of alternative fuel as defined in A.R.S. § 1-215, to a used oil fuel burner who has received a Department of Environmental Quality permit to burn used oil or used oil fuel under A.R.S. § 49-426 or A.R.S. § 49-480. (Ord. No. G-2976, § 5; Ord. No. G-3020, § 2; Ord. No. G-3113, § 11; Ord. No. G-3820, § 14; Ord. No. G-3969, § 8, passed 11-20-1996, eff. 1-1-1997; Ord. No. G-4090, § 13, passed 5-20-1998, eff. 7-1-1998; Ord. No. G-4627, § 1, adopted 7-1-2004, eff. 5-1-2005)

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Sec. 14-485. Wastewater removal services.

(a) The tax rate shall be an amount equal to **two and seven-tenths** percent of the gross income from the business activity upon every person engaging or continuing in the business of providing wastewater removal services from premises, locations, or facilities located within the City limits of Phoenix by means of sewer lines or similar pipelines.

(b) The tax imposed by this Section shall not apply to gross income relating to the providing of wastewater removal services from a qualifying hospital, qualifying community health center or a qualifying health care organization.

(Ord. No. G-3130, § 1; Ord. No. G-4090, § 14, passed 5-20-1998, eff. 7-1-1998)