



City of Phoenix

FINANCE DEPARTMENT
TAX DIVISION

IMPORTANT CHANGE **NEW TRANSACTION PRIVILEGE (SALES) AND USE TAX RATE FOR THE** **COMPREHENSIVE TRANSPORTATION PLAN** ***EFFECTIVE JANUARY 1, 2016***

Phoenix voters approved Proposition 104 in the August 25, 2015 city election to fund a Comprehensive Transportation Plan. The plan will maintain and expand light rail and bus routes, improve city streets, and provide residents with more transportation choices.

The city of Phoenix posted a notice of this rate change on the city of Phoenix webpage on June 10, 2015. After receiving voter approval, the City Council ratified Ordinance G-6073 for the tax rate increase on November 18, 2015.

This voter-approved initiative will increase the transaction privilege and use tax by three-tenths of one penny per dollar (0.3%). The 0.3% increase in the transaction privilege and use tax rates for the Comprehensive Transportation Plan under Proposition 104 are detailed below. The new rate of 2.3% will begin on January 1, 2016. The new tax shall be effective for 35 years.

Taxable Activity	Rate From	Change To
Amusements	2.0%	2.3%
Construction Contracting	2.0%	2.3%
Hotel/Motel Room Rental	5.0%	5.3%
Job Printing	2.0%	2.3%
Extracting/Timbering	2.0%	2.3%
Publishing	2.0%	2.3%
Residential Real Estate Rentals	2.0%	2.3%
Rental Occupancy Tax	2.0%	2.3%
Commercial Real Estate Rentals	2.1%	2.4%
Short-Term Vehicle Rentals	4.0%	4.3%
Rental, Leasing, Licensing of Tangible Personal Property	2.0%	2.3%
Restaurant & Bars	2.0%	2.3%
Retail Sales (for amounts equal to or under \$10,000 for a single item)	2.0%	2.3%
Retail Sales (any amount over \$10,000 for a single item)	2.0%	2.0%
Manufactured Buildings	2.0%	2.3%
Transporting for Hire	2.0%	2.3%
Use Tax (for amounts equal to or under \$10,000 for a single item)	2.0%	2.3%
Use Tax (any amount over \$10,000 for a single item)	2.0%	2.0%

Consistent with the implementation of Transit 2000 and the intent of Proposition 104, City Code Sections 14-405, 14-407, 14-422, 14-432, 14-446, 14-447, 14-452, 14-462, 14-470, 14-480, and 14-485 are to be exempt from the increased tax rate.

If you have any questions regarding this information, please contact the Tax Division staff at (602) 262-6785, option 6, or by email at tax@phoenix.gov.

Thank you,

Tax Collector