



# City of Phoenix

FINANCE DEPARTMENT  
TAX DIVISION

## **IMPORTANT CHANGE PHOENIX EMERGENCY PRIVILEGE (SALES) TAX ON FOOD EFFECTIVE APRIL 1, 2015**

On October 16, 2013, the Phoenix City Council approved an ordinance to amend the City of Phoenix Tax Code and reduce the privilege tax rate for the retail sales of Food for Home Consumption business classification under Phoenix Tax Code Section 14-462(a) to zero percent (0%). This section provides for the taxation of purchases and sales of food for home consumption, while maintaining the exemption of food purchased with food stamps. The business activity of retail food sales is reported under Business Code 30 on tax return forms. The privilege tax rate for purchases and sales of food for home consumption will be reduced from one percent (1%) to zero percent (0%) beginning on April 1, 2015.

The privilege tax rate reduction may begin in the middle of your reporting period. Retail food sales activity through March 31, 2015 should continue to be reported at the privilege tax rate of one percent (1%). Please follow the guidance below to ensure that retail food sales activity is reported appropriately.

### MONTHLY FILERS

You will receive a tax return form in April to report your April 2015 business activity. This tax return is due May 20, 2015.

### QUARTERLY FILERS

You will receive a tax return form in June to report your April, May and June 2015 business activity. This tax return is due July 20, 2015.

### ANNUAL FILERS

You will receive a tax return form in December to report your January through December 2015 business activity. Only retail food sales activity prior to April 1, 2015 should be reported at the privilege tax rate of one percent (1%). This tax return is due January 20, 2016.

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

**Tax Administrator**