NOTE: This brochure is meant to be a guideline only. For complete details, refer to the City of Chandler Tax Code and related regulations. In case of inconsistency or omission in this brochure, the language of the Tax Code will prevail. You can request a copy of the Chandler Tax Code by calling or writing to the address on the front of this brochure; **or** you can obtain a practitioner's copy of the Model City Tax Code from the League of Arizona Cities and Towns, which includes the code options for all cities in Arizona. The taxable activities for Chandler may differ from the state and other Arizona cities. **You are urged to contact each jurisdiction individually.**

September 2001—supercedes all previous brochures

Chandler • Arizona
Where Values Make The Difference

City of Chandler
License & Sales Tax

Privilege Tax Guidelines

Retail

Chandler • Arizona
Where Values Make The Difference

Mailing Address:
Mail Stop 701
PO Box 4008
Chandler, Arizona 85244-4008

Location:
Suite 105
55 North Arizona Place
Chandler, Arizona

Phone (480) 782-2280
Fax (480) 782-2295
TDD (800) 367-8939

Retail sales are sales of tangible personal property to the final consumer or user.

A sale is taxable based upon the location of the seller and not the purchaser.

It is the taxpayer's responsibility to indicate that a sale is not taxable by using the allowable deductions listed on the back of the tax reporting form (otherwise all sales are considered taxable). The taxpayer must maintain records to support any reported deductions.

Tax Rate

Retail activity: 1.5%
Bar and restaurant activity: 1.8%

Liability

The seller is personally liable for payment of the tax to the City whether he absorbs it or passes it on to the purchaser.

Excess Tax

If a retailer collects more tax than is due, he must remit the City's portion of the excess.

Due Date

Reports are due by the 20th of the month following a reporting period and are delinquent if not **received** in our office by the last business day of the month (without regard to postmark). *The return must be filed even when no income has been received.*

Taxable Sales Include

1. Sales to schools, churches, non-profit organizations, private clubs, and political subdivisions.
2. Sales to service businesses (laundromats, beauty salons, and barber shops, etc.).
3. Charges for Federal excise taxes.
4. Sales to Indians off the reservations, Armed Forces personnel, etc.
5. Sales to winter visitors, even though the item may later be removed from the state.
6. Sales of supplies to doctors, dentists, and veterinarians.

Deductions

Deductions from income must be properly segregated in all accounting documents. Daily records must be preserved. In the absence of documentation, taxes will be assessed on gross receipts. Allowable deductions are:

1. Sales for resale to properly licensed businesses.
2. Repair or service labor charged in conjunction with a retail sale (not manufacturing labor).
3. Discounts and refunds on taxable sales.
4. Bad debts on which tax was paid.
5. State and city sales tax collected (or factored).
6. Gasoline sales on which highway users tax has been paid.
7. Prescription drugs, eyeglasses, and prosthetic devices.
8. Sales to qualifying healthcare organizations.
9. 50% of sales to the U.S. Government.
10. Sales in interstate commerce – both must occur:
    a Order received from customer by mail, telephone, or telegram from outside of Arizona.
    b Merchandise must be shipped or delivered to the customer outside of Arizona.

11 Agricultural chemicals to bonafide farmers and/or ranchers.
12 Sales of income producing capital equipment (see Tax Code for definition) to manufacturers and processors of articles for commerce.
13 Sales of tangible personal property used in remediation contracting.
14 Sales of food and beverages to public education entities to be served during school hours.
15 Sales of automobiles to be registered in another state, subject to Arizona tax provisions.

Allowable deduction codes with descriptions are listed on the back of the tax return.

Schedule A on the back of the tax return form must be completed in order for the deductions to be allowed.