

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.

CONSTRUCTION CONTRACTING

Construction Contracting is not limited to the construction of buildings, but includes alterations, repairs, additions, subtractions, improvements, moves, 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.

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.

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.

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.

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.

copy of the tax code. If you have any questions regarding the requirements, please contact the Sales Tax Department at (928) 777-1268.



City of Prescott
Finance Department
Tax & Licensing Division
P O Box 2077
Prescott, AZ 86302

For more information contact:
928 777-1268 Taxpayer Assistance Rep
928 777-1210 Privilege Tax Auditor
928 777-1231 Tax & Licensing Supervisor

This publication is for general use only. For complete details, refer to the City of Prescott Tax Code.

SERVICES

If you think your business might be taxable, you may obtain copies of the guidelines relating to that business activity or a free

PRESCOTT PRIVILEGE TAX



This publication is general information on 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 case of inconsistencies or an omission in this service 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.

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