

## **JOB PRINTING**

### **YOU OWE TAX ON JOB PRINTING IF:**

You are engaged in the business of job printing, which includes engraving of printing plates, embossing, copying, micrographics, and photo reproduction in the City.

### **TAX RATE ON JOB PRINTING**

A total Transaction Privilege (Sales) Tax rate of 9.1%, 6.35% State and County, 2.75% Prescott, is imposed on the gross income of any person engaging in job printing.

### **COLLECTION OF TAX**

You may choose to charge the tax separately on each sale, or include sales tax in your price. If you over charge any tax to your customers, you must remit the excess tax to the City.

If you include tax in your price, you can use factoring to “back into” the tax included in your gross sales.

For example, if you make a sale for \$100, tax included, and the tax rate is 9.1% (the

combined City, State, and County tax rate), your tax calculation is:

Price excluding sales tax =	
$\$100/1.091 =$	\$ 91.66
City of Prescott Tax =	
$\$91.65 \times .0275 =$	\$2.52
State & County =	
$\$91.65 \times 0.0635$	\$5.82
Total City, State & County Tax =	\$ 8.34

### **EXEMPTION: GENERAL PROVISIONS**

Except as provided under the City code all job printing income is subject to tax. Exclusions from taxable income are based upon the specific deductions provided by the code. Because you have the burden of documenting any deductions you claim, it is recommended that you get an exemption certificate from your purchaser to support the deduction or exclusion. The certificate, which satisfies code requirements, is sufficient in most cases to relieve the printer from liability for taxes arising from the sale. The City accepts State exemption certificates.

### **SPECIFIC EXEMPTIONS**

- Sales for Resale: Job printing purchased for the purpose of resale by the purchaser in the form supplied by the job printer.
- Out-of-State Sales: Printing for a non-resident of the state, provided the order takes place without the state and the printer ships or delivers the printed materials to the out-of-state location of the customer.
- Job printing of newspapers, magazines and other periodicals for a customer who is engaged in business as a publisher is exempt provided the publisher is properly licensed.
- Job printing for nonprofit primary health care facility is exempt, except when the property sold is for use in activities resulting in gross income from unrelated business income as defined in 26 U.S.C. Section 512.

**EXEMPTIONS AVAILABLE FOR  
ITEMS YOU PURCHASE:**

Purchases of paper and ink and other items which are “resold” by the printer are exempt from tax when purchased from suppliers. Income-producing capital equipment, which includes machinery or equipment used directly in the job printing operation, such as presses and copiers etc., is also exempt from tax when purchased.

As a general rule, operating supplies which are not transferred to customers or items not defined in the tax code as income-producing capital equipment (furniture, vehicles, etc.) are subject to tax at the time of purchase. If city taxes have not been paid to the supplier, the cost of these items are subject to City Use Tax .

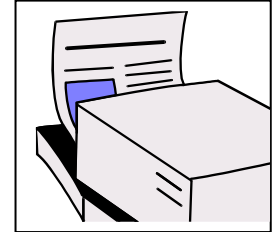
To view a complete copy of the City tax code, please go to: <http://www.prescott-az.gov>



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# PRESCOTT PRIVILEGE TAX

## JOB PRINTING



This publication is for general information regarding Transaction Privilege (Sales) Tax on job printing. For complete details, refer to the City of Prescott Privilege & Use Tax Code and related regulations. In the case of an inconsistency or omission in this 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.