

This pamphlet is for general information regarding **Special Events** only. It has been designed to provide assistance to taxpayers in complying with current laws and rules.

All vendors selling products or merchandise at a special event in the City of Scottsdale must obtain, a Transaction Privilege Sales Tax license. This brochure provides details of vendor obligations to file tax returns.

Licensing for a Transaction Privilege Tax

The most common types of taxable activity are retail (merchandise) sales, food vendors, and amusements. This brochure has a brief description of each category and how they may apply to your activity. Anyone doing business in any of these categories within the City of Scottsdale, is required by ordinance to obtain an annual Transaction Privilege Sales Tax license.

Annual Transaction Privilege Tax License

Requires a \$50.00 annual license fee if the event start date is after January 1, 2015. The annual license starts January 1st and expires December 31st. Application forms can be found at www.scottsdaleaz.gov/licenses.

Reporting Tax

The total tax collected is a combination of State, County, and City Sales Tax, separate tax returns will be mailed to you once you are licensed with each entity. Contact the Arizona Department of Revenue at (602) 542-4576. The ADOR collects for Maricopa County.

All tax returns are due the 20th day of the following month. For example, a tax collected from a show held in the month of January is due by February 20th.

All vendors, with a tax liability, are required to report and pay transaction privilege sales tax.

Taxpayers are subject to penalties and interest for late reporting or late payment. The City of Scottsdale does not consider postmarks as evidence of timely filing. If you had no sales during a month when you held a license, a tax return must still be filed, indicating no gross receipts.

Participants who have not filed and paid all previous sales tax returns, or fulfilled prior license requirements owed to the city, may not be able to participate in future Scottsdale events.

Calculating Tax & City Tax Rate

Privilege tax is usually added to the sales price but some people prefer factoring the tax in. Either way is acceptable. Keep in mind that the transaction privilege tax is usually passed on to the customer even though it is an actual tax on the vendor for doing business here. When charging the rate, remember that the total rate should include the state, county and city tax rates.

The city's tax rate on all activities is 1.65%. You will need to check with the state for the current state and county rates.

Retail Sales & Wholesale Guidelines

If you sell tangible personal property including crafts or art (even if you consider it a hobby), you must be licensed and are responsible for transaction privilege tax under the retail classification. There are some instances when a vendor sells something for resale; this is considered a wholesale transaction. To make this transaction valid you must: 1) record the merchandise sold; 2) record the buyers name, address and transaction privilege tax numbers issued from the state and city; 3) and obtain a signed statement by the buyer stating the goods will be resold in the ordinary course of business.

Restaurant /Food Vendors

Sales of prepared food or beverages are taxable under the restaurant classification. Sales of packaged food are taxed as a retail sale. Any business or vendor selling alcoholic beverages is advised to contact the State Department of Liquor Licenses and Control at (602) 542-5141 for requirements. Contact the City of Scottsdale at (480) 312-2400 regarding City requirements. A **Special Event Liquor License**, which is \$25.00 per day, must be applied for a minimum of **20 days prior** to the day of the event. Special event liquor licenses are only issued to qualified non-profit organizations, political parties, civic, fraternal, or religious organizations.

Amusements

Tax on amusements applies whenever an admission is charged for entertainment at an event. Activities such as games, amusement rides, horse rides, balloon rides, comedy shows, or any other types of amusement are subject to tax under this classification.

Tax on the Sale of Artwork

The sale of artwork such as paintings, drawings, etchings, sculptures, pottery, craft work or other types of artwork are taxable. The City of Scottsdale does not exclude commissioned art. There are no exclusions or deductions at the city level.

Orders

A vendor is considered to have a location in Scottsdale at the time of an event; this location is considered his permanent business location for the event. Orders received by an out of state vendor shall be taxable to the City of Scottsdale. Orders received by an in state vendor shall be taxable to the Arizona city or town where the business is based.

Non-Profit Organizations

Non-profit organizations must register with the City of Scottsdale if soliciting or doing retail sales at an event. A non-profit registration form must be submitted with a copy of the 501c determination letter and a copy of the most recent financial statement, if applicable.

Out of State Sales

An Out of State sale that meets **all** of the following three criteria is tax exempt:

1. The order was received from the customer by mail, solicitation, or phone from outside this State, **and**
2. The item was delivered to the buyer at a location outside this State, **and**
3. The item is purchased for use outside of this State.

Other Licenses You May Need

Many businesses will need an Arizona Transaction Privilege Tax license. This licensing information and tax rate can be obtained by calling (602) 542-4576.

For Scottsdale information:

Tax and License - (480) 312-2400

Fax - (480) 312-4806

Office Location:

City of Scottsdale
Tax and License Registration
7447 E. Indian School Rd. Suite 110
Scottsdale AZ 85251-4468

Mailing address:

City of Scottsdale
P.O. Box 1949
Scottsdale AZ 85252-1949

Web address: www.ScottsdaleAZ.gov.

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*SPECIAL
EVENT
(For Vendors)*

*LICENSING
REQUIREMENTS*