

IS MY BUSINESS TAXABLE?

It is the responsibility of the business to charge sales tax on their transactions. Following are a few of the lesser known business types that need to collect and submit tax. If you do not find your business/category listed anywhere in this brochure, please call to verify that you do not need to charge sales tax.

- Groceries, Water and Ice
- Health Clubs
- Coupon Mailers/Door Hangers
- Alarm Monitoring Fees
- Residential Rentals*
- Commercial Rentals*
- Beauty/Tanning/Nail Salon Products sold at Salon location
- Builder/Owner if selling property within 2 years of completion.
- Products shipped to an Arizona address from Gilbert business.
- **Products sold to Town of Gilbert**
- Safety Deposit Box Rentals
- Storage Space/Locker Rentals
- Art Gallery Sales
- Auctions

*Please refer to rental brochure for detailed information on residential and commercial rentals.

EXEMPTIONS

The following business services are not taxable.

- Service/Labor Charges
- Disposal Fees
- Out of State Sales
- Delivery or Installation Charges
- Warranty/Service/Maintenance Contracts
- Prosthetics
- Stocks/Bonds/Options

Please note that we make every effort to provide adequate and accurate tax information. This brochure is meant as a guideline only. In case of inconsistency or omission in this publication or in verbal information, the language of the Model City Tax Code will prevail. For complete details of the code, please refer to the link on our website at – www.gilbertaz.gov. A copy of the code can be provided if you do not have internet access.

The transaction privilege tax is commonly referred to as sales tax; however it is actually based on the “privilege” of doing business within the Town and is not a true sales tax.



Town of Gilbert

Taxable Sales Guidelines

TAX COMPLIANCE

50 East Civic Center Drive
Gilbert, Arizona 85296
480-503-6852
480-497-4943 fax

www.gilbertaz.gov/taxcompliance

PRIVILEGE LICENSE TAX

TAXABLE CATEGORIES

Following is a list of Town of Gilbert taxable activities. This listing provides only a broad example as to which activities are taxable. Please refer to the Model City Tax Code which is available on our website for detailed descriptions and comprehensive definitions.

www.gilbertaz.gov/taxcompliance

These activities are taxable by both the State and the Town of Gilbert at a combined rate of 7.8% unless indicated “Town Only”, then it is taxed at the Town rate of 1.5% only.

ADVERTISING - “TOWN ONLY”

The activity of advertising by billboard, direct mail, radio, television or any other means is taxable under this category.

AMUSEMENTS

Any business charging admission for exhibition, amusement or entertainment is taxable under this business category. This includes member fees paid to health clubs.

CONTRACTING

The construction, alteration, repair or demolition of real property. Please refer to Construction Guideline Brochure for details.

GROCERIES – “TOWN ONLY”

Grocery and food items are taxable in Gilbert. Water and ice are considered taxable food items.

HOTEL/MOTEL/TRANSIENT LODGING

Any public or private facility located within the Town providing lodging to any person. There is an additional 3% transient tax added to this category if the space is rented for 30 days or less. The total tax would be 1.5% plus 3% = 4.5% for Gilbert.

JOB PRINTING

The activity of copying or reproducing an article by any means, process or method.

MANUFACTURED BUILDING

The business of selling manufactured buildings within the Town.

TIMBERING/EXTRACTION

A business engaged in felling, producing or preparing timber for sales or one engaged in extracting, refining or producing gas or oil for sale.

MINING

Any business engaged in mining, smelting or producing minerals or mineral products for sale.

PUBLISHING

The publication of newspapers, magazines or other periodicals within the Town and taxable subscription and advertising income based on local circulation.

RENTALS (REAL ESTATE)

Residential and commercial rentals are taxable in Gilbert. Any rental of a specific space or area is taxable no matter the venue. Please refer to Commercial and Residential Rental Brochure.

RENTALS (TANGIBLE PROPERTY)

Any business which leases, licenses for use, or rents equipment.

RESTAURANTS AND BARS

Restaurants include any business where articles of food, drink or condiment are prepared or served to patrons for consumption on or off the premises.

RETAIL SALES

Retail sales include the sale of any tangible personal property; examples include food, automobiles, furniture, clothing, tools and equipment.

TELECOMMUNICATIONS

Any service or activity connected with transmission or relay of sound, image, data or information over a communication channel.

TRANSPORTING FOR HIRE

Any business providing the transport of persons or property by rail or motor vehicle or the transport of oil or gas through pipe or conduit.

UTILITY SERVICES

Any business producing, providing or furnishing electricity, power, gas or water to consumers within the Town of Gilbert.