

WHAT IS MEANT BY “PUBLISHED WITHIN THE TOWN”?

1. If the publisher does the physical printing, the location of publication is determined by the location of the editorial offices and/or the printing facilities.
2. If the publisher does not do the physical printing, the location of publication is determined by the location of the editorial offices.

WHAT IS INCLUDED IN SUBSCRIPTION INCOME?

Subscription income includes all of your circulation revenue. In measuring gross income, circulation is considered to occur at the place of delivery of the published items. However, delivery by the United States Postal Office is considered to occur at the location of publication. Two items you will not include in your subscription income are:

1. Amounts retained by or credited to carriers as compensation for delivery by those carriers with the state.
2. Sales of published items to retailers for resale, where the retailer is subject to Privilege Tax on such resale's.

WHAT IF I PUBLISH BOOKS?

The sale of books is not considered to be publishing; rather, it is considered to be a retail sale and taxed as such. (See Retail Sales Guidelines)

WHAT IF I PUBLISH OR DISTRIBUTE IN MORE THAN ONE TOWN OR CITY?

When you publish or distribute in more than one town or city, you will measure your gross income subject to Florence tax as follows:

1. Include that portion of your gross income from publication which reflects the ratio of circulation within this Town to circulation in all incorporated cities and towns in this state having substantially similar provisions, plus
2. When publication occurs within the Town, that portion of your remaining gross income from publication which reflects the ratio of circulation within the Town to the total circulation of all incorporated towns and cities in this State where you maintain a location of publication.

General Information:

Sales Tax Rates:

State	-	5.6 %
County	-	1.1 %
Town	-	2.0 %
Total Tax	=	8.7%

Tax change for State effective 06/01/2013

For more information please contact:

520-868-7570 Finance Department
520-868-7505 Finance Director

This publication is for general use only. For complete details, refer to the Town of Florence Tax Code. More detailed information is also available on the “**Taxpayer Bill of Rights**” Brochure, on the town website: www.florenceaz.gov.

For payment of Sales Tax for the Town of Florence, filing, or State Licensing contact ADOR @ 1-800-634-6494, or go to www.aztaxes.gov.

ADVERTISING & PUBLISHING



This publication is for general information regarding Transaction Privilege (Sales) Tax on advertising and publishing. For complete details, refer to the Town of Florence Privilege & Use Tax Code and related regulations. In the case of an inconsistency or omission in this publication, the language of the Privilege and Use 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 Florence and is not a true sales tax.



**Town of Florence
Finance Department
775 N. Main St.
P.O. Box 2670
Florence, AZ 85132**

June 2013

FLORENCE PRIVILEGE TAX

ADVERTISING/PUBLISHING

YOU OWE TAX ON ADVERTISING IF:

You are in the business of selling “local advertising” within the town. This tax is paid on the advertising income of persons in such businesses as billboards, direct mail, radio, television, etc. The commissions and fees retained by an advertising agency are not part of the taxable income.

TAX RATE ON ADVERTISING

The tax rate is 2% of the gross income from “local advertising”.

COLLECTION OF TAX

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

If your price includes privilege tax, you can compute how much of the total price is privilege tax. You may deduct the privilege taxes from your gross receipts.

WHAT IS “LOCAL ADVERTISING”?

Advertising is considered “local advertising” unless it fits into one of the following “national advertising” categories:

- A product or service which is sold nationally or at least in other areas as well as Arizona. To qualify, the ad must not name just one specific Arizona business or one chain of Arizona businesses. It may name several different businesses.
- A facility or service which is not located in Arizona.
- A product which can only be bought from an out-of-state supplier.

- Political advertising of a United States Presidential or Vice Presidential candidate.
- Advertising by means of a coupon for a product good at any business which carries the product. This does not apply if the coupon is only good at one business or business chain.
- Advertising a transportation service which includes substantial interstate and foreign carriage.

The follow examples are typically “national advertising” when the ad does not name a specific Arizona business or chain:

- A soft drink sold nationally and available in numerous stores.
- A new movie.
- A Las Vegas hotel.
- A Caribbean cruise.
- Lots for sale in San Diego.
- A coupon for purchase of toothpaste
- Records and tapes by mail order from out of state.
- An airline company.
- A railroad.

The following are some examples of “local advertising” and are taxable.

- A chain of stores including some within the State when only the common business name is identified.
- Sales of real estate located within the State.
- A hospital located within the State.
- An ad for a motel chain as long as the ad identifies any location within the State.
- Stockbrokers doing business within the State.
- A nonprofit organization which has an office within the State.
- Political ads except for President & Vice President.

- A restaurant chain which has an outlet within the State.
- Service businesses when the service is provided within the State.
- Coupons which can be redeemed only at a location within the State.
- An entertainment event which will be held at a location within the State.

WHEN IS AN ADVERTISING BUSINESS OPERATING “WITHIN THE TOWN”?

Businesses are generally considered to be doing business within the Town if a major portion of their dissemination facilities are located in the Town. A broadcasting studio located in the Town is an example.

Outdoor advertising, such as billboards, is taxable based on the town in which the billboard is located.

Advertising income from newspapers and periodicals is taxed in the same manner as “publishing”.

AS A PUBLISHER, WHAT ARE MY RESPONSIBILITIES?

As a publisher you are required to be licensed with the Town and to report and pay tax on your income as required by Town Code. The tax is 2% of your gross income from:

1. PUBLICATION: Publication of newspapers, magazines, or other periodicals when published within the Town, measured by the gross income from notices, subscriptions, and local advertising.
2. DISTRIBUTION: Distribution or delivery within the Town of newspapers, magazines, publications, etc., not published with the town, measured by the gross income from subscriptions and advertising.