

**IS ANY
TRANSPORTATION
FOR HIRE EXEMPT FROM
PRIVILEGE TAX?**

Income classified as transporting for hire that is subject to the tax imposed by Article VI, Chapter 9, Title 28 (motor carrier tax) of the Arizona Revised Statutes is exempt from privilege tax. Also gross income derived from the operation of a governmentally adopted and controlled program to provide urban mass transportation is not taxable.



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For more information please contact:

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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.

General Information:

Sales Tax Rates:

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

**Tax change for State
effective 06/01/2013**

TRANSPORTING FOR HIRE



This publication is for general information regarding Transaction Privilege (Sales) Tax on transportation for hire. 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 Tax Code will prevail. The transaction privilege tax is commonly referred to as a sales tax; however, under Arizona State law, the tax is on the privilege of doing business in Florence and is not a true sales tax.



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WHAT IS CONSIDERED TRANSPORTATION FOR HIRE:

Transportation for hire includes transporting persons or property by railroad, oil, natural or artificial gas through pipe or conduit, transporting property by aircraft, and persons or property by motor vehicle. This includes, but is not limited to, such transportation as taxi services, railroads, shipping services, and bus lines.

WHAT IF I TRANSPORT FROM THIS CITY TO ANOTHER CITY?

If the pickup of property, persons, oil or gas originates within the Town of Florence's corporate boundaries and is transported to a place within the Town or to another town/city or unincorporated area within the state, the income is subject to Florence's 2% Transaction Privilege Tax.



WHAT IF I TRANSPORT FROM ANOTHER CITY?

If the property, persons, oil or gas originates in another city within the state, the income from the transportation may be subject to tax in the other city's jurisdiction, but in any case, is not subject to Florence's tax.



HOW DO I CALCULATE THE PRIVILEGE TAX DUE?

The **gross** income from transportation for hire is summed and allowable deductions are subtracted out to arrive at the taxable income. The taxable income is multiplied by 2% (.02) to derive the privilege tax due.