

HANDYMAN



This publication is for general information regarding Transaction Privilege (Sales) Tax on Handyman services. 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 Arizona State law, the tax is on the privilege of doing business in Florence and is not a true sales tax.



June 2013

FLORENCE PRIVILEGE TAX

For more information or to obtain a copy of the Tax Code, Please contact:

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

For General Information:

Arizona Department of Revenue website: www.revenue.state.az.us

Tax Assistance:

Individual/Corporate: 800-352-4090
Business: 800-843-7196
Director: 602-716-6090
Hearing & Speech Impaired
602-542-4021

If you feel that you have not been treated appropriately or that a proposed method of delinquent tax collection will cause you a significant hardship, you may call the Arizona Department of Revenue as follows:

Problem Resolution Office
602-542-3887

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

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**

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.



HANDYMAN

The activities of a handyman can be defined as “retail sales”, “direct customer services”, or “construction contracting”.

HOW DO I DETERMINE THE PROPER CLASSIFICATION FOR AN ACTIVITY?

Construction Contracting

If you sell consumable goods, incorporated, or applied to real property they are considered retail sales and not construction contracting. Examples of consumable goods are lubricants, light bulbs, furnace filters, air conditioning filters, and coolants.

If you attach or install tangible personal property (except “consumable goods” which are discussed above) onto real property or alter real property in any way, you are considered a construction contractor. In addition, if you repair, remove, replace, or modify any item installed or attached to real property, you are considered a construction contractor. Some examples of construction contracting activities are: repair of a door, wall, installation of carpeting, window screens, painting, bathroom pipe repair, etc.

Retail Sales

When you sell tangible personal property (windows, screens, doors), but do not install the item being sold, you are considered to have made a retail sale.

The sale of consumable goods, such as lubricants, light bulbs, furnace filters, air conditioning filters and coolant, which are incorporated into or applied to real property are considered retail sales and not construction contracting.

Direct Customer Services

If you perform an activity which does not involve retail sales or altering, repairing, attaching to, etc., real property, the activity is considered a direct customer service. Examples of direct customer services are carpet cleaning, yard cleaning, and window washing. Direct customer services do not include demolition, earth moving, and wrecking activities.



HOW ARE THE DIFFERENT CLASSIFICATIONS TAXED?

Construction Contracting

You are liable for the 4% tax on construction contracting activity based on the gross income from the activity less a 35% standard contracting deduction. (See construction contracting guidelines and the tax code for further details).

Retail Sales

You are liable for the 2% tax on retail sales based on the total amount of the sale. A deduction for sales for resale is allowed if proper documentation is maintained.

Direct Customer Service

Direct customer services are not taxable.