

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:

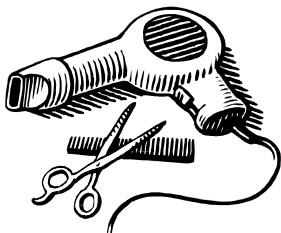
Arizona Department of Revenue
website: www.revenue.state.az.us

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**

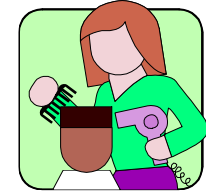
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This publication is for general use only. For complete details, refer to the Town of Florence Tax Code. More detailed information is also available on the "Taxpayer Bill of Rights" Brochure, on the town website: www.florenceaz.gov.

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.

**BEAUTY SALONS
&
BARBER SHOPS**



This publication is for general information regarding Transaction Privilege (Sales) Tax on beauty salons and barber shops. 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

BEAUTY SALONS & BARBER SHOPS

The business activities of a beauty salon or barber shop can be defined as “retail sales”, “rental, leasing, and licensing for use of real property”, and “direct customer services”.

HOW DO I DETERMINE THE PROPER CLASSIFICATION FOR AN ACTIVITY?

Retail Sales

When you sell tangible personal property (beauty supplies), that are for use outside the salon, this is considered to be making a retail sale. For example, sale of shampoos, conditioners, hair clips, nail polish, etc. would be classified as retail sales.

Products that are used during the performance of a service are considered inconsequential, are not subject to sales tax, such as in saloon services (cut, style, shampooing, hair dyeing). For the product to be inconsequential, the product must represent less than 15% of the price charged for the service, and must be consumed during the course of the service.

Products and equipment that are not resold, but used in the ongoing business of the salon or barber shop, may be subject to use tax if no such sales tax was paid at the time of purchase. See guidelines for use tax.

Rental, Leasing, and Licensing for Use of Real Property.

If you rent a stall or space to other stylists, manicurists, or barbers, all amounts collected are subject to sales tax and as such are classified as rental, leasing or licensing for use of real property. This includes, but is not limited to, fixed based rents as well as a percentage of sales.

Direct Customer Service

If you perform an activity which does not involve the transfer of tangible personal property, the activity is considered direct customer service. Examples of direct customer services include, but are not limited to, haircuts, hair colorings, shaves, manicures, permanent waves, sets, and styles.

HOW ARE THE DIFFERENT CLASSIFICATION TAXED?

Retail Sales

You are liable for the Town of Florence 2% tax on retail sales based on the total sales price of the tangible personal property.

Rental, Leasing, and Licensing for Use of Real Property.

You are liable for the 2% tax on rental, leasing, and licensing for use of real property based on the gross income received from the stylists, manicurists, and/or barbers.

