

WHAT IS EXEMPT FROM THE USE TAX PROVISION?

Generally, those items that are exempt from transaction privilege tax are exempt from use tax such as sales for resale, income-producing capital equipment, etc.

In addition, tangible personal property **not exceeding \$1,000.00 per item**, purchased by an individual for his or her **personal use** and enjoyment is exempt.

WHAT MAY NOT BE SUBJECT TO THE TOWN OF FLORENCE USE TAX?

Casual sales between individuals are not subject to use tax. Property purchased by a non-resident individual whose first actual use or consumption occurred outside the Town may not be subject to use tax.



General Information:

Sales Tax Rates:

State	-	5.6 %
County	-	1.1 %
Town	-	3.0 %
Total	=	9.7 %

Tax change for State effective 06/01/2013

**Town of Florence
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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.

USE TAX



This publication is for general information regarding Transaction Privilege (Sales) and Use Tax on purchases where a city privilege tax has not been paid. 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.



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FLORENCE PRIVILEGE TAX

WHAT IS A USE TAX?

Use tax is levied on the purchase of tangible personal property stored, used, or consumed within the town limits, when an equivalent city privilege tax has not been paid. This tax was designed to eliminate the unfair tax advantage a business located in an unincorporated area may have over our in-town vendors. It also protects the state and local government revenues by imposing a tax in situations where no sales or privilege tax has been paid. The current tax rate is 3% of the total purchase price of the tangible personal property.

AM I LIABLE FOR USE TAX?

Use Tax applies to both businesses and individuals who purchase tangible personal property, such as equipment, furniture, vehicles, boats, tools, or motor homes, from retailers located out-of-state or in unincorporated areas which do not charge city sales or privilege tax at the time of purchase.

WHAT ABOUT THE TRANSACTION PRIVILEGE TAX?

Transaction privilege tax applies when you buy tangible personal property from a retailer located within an incorporated area. Use tax is applied when items are purchased outside of the Town and then brought into the Town without paying any city privilege tax. The two taxes are complementary, so only one applies to a given transaction.

WHAT IF I PAY CITY TRANSACTION PRIVILEGE TAX TO ANOTHER CITY AND THEN BRING THE PROPERTY INTO FLORENCE?

You are allowed a credit for privilege tax paid to any other City in Arizona; thus, if you purchase a car in Phoenix and pay Phoenix City privilege tax, you do not owe use tax in Florence.

If you live within Florence Town limits and purchase a car out-of-state or in an unincorporated area that does not have, or charge a city privilege tax, you will be liable for use tax of 3% when you bring that property into Florence. If you purchase a vehicle from an out-of-state dealer or manufacturer, the Department of Transportation, at the

time of vehicle registration, will require proof that the tax was paid in the state of purchase and the tax is equal to or greater than the Arizona tax rate. If the tax was not paid in the state of purchase or was less than the Arizona use tax, the Department of Transportation will require that use tax be paid at the time of registration. The State will then notify the towns and cities which have a use tax and the various taxing authorities will collect the use tax they are entitled.

AS A RETAILER, IN AN UNINCORPORATED AREA THAT DOES NOT CHARGE CITY SALES TAX, AM I LIABLE FOR USE TAX?

If you are in an unincorporated area selling to Florence residents, and you and your sale originates inside the Corporate limits, then you must obtain a Business License and collect the tax from your Florence customers. Generally, if a person has a Florence address it is assumed that they are bringing the property into Florence and they will be subject to the tax. As a vendor outside of the Town's Corporate Boundaries, voluntarily collecting Use Tax on behalf of the Town, you would only be responsible for the amounts collected.