



## CITY OF TUCSON TAX RETURN INSTRUCTIONS

The City of Tucson's tax return has been redesigned. Although it looks different, the information you provide is exactly the same. You may also file your tax return online at [www.tucsonaz.gov/etax](http://www.tucsonaz.gov/etax). To set up a User ID, your Federal Employer Identification Number (FEIN) must be on file with us. If you do not have an FEIN, please go to [www.irs.gov/businesses](http://www.irs.gov/businesses). You should not use your Social Security Number as your FEIN.

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**Please write legibly inside the boxes. Please use blue or black ink only.**

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### INSTRUCTIONS FOR THE FRONT OF THE RETURN

- **Gross Income (Column 1):** Enter the gross income, including tax collected, for each of your business activities. If you report on the cash basis, enter the total amount received, including draws for construction contracting, in the reporting period. If you report on the accrual basis, enter the total amount per customer invoices, including progressive billings for construction contracting, in the reporting period. **If you have no income to report, enter a zero for gross income for each activity number.**

If you file quarterly, combine the gross income for three months, and enter the sum for each business activity. If you file annually, combine the gross income for 12 months, and enter the sum for each business activity. **Do not list the income for each month separately.**

- **Deductions (Column 2):** The numbers for this column will come from the bottom row of Schedule A on the back of the return for each applicable business activity. **Deductions in Column 2 that are not itemized on the back of the return will be disallowed.** See instructions for filling out Schedule A.
- **Net Taxable (Column 3):** Subtract total deductions in Column 2 from gross income in Column 1 and enter the amount in Column 3.
- **Tax Rate (Column 4):** The tax rate for each business activity is preprinted. Convert the tax rate to a decimal when computing the tax amount, for example, 2.00% becomes .02.
- **Tax Amount (Column 5):** Multiply the net taxable amount in Column 3 by the tax rate in Column 4 for each business activity.
- **Enter Excess City Tax Collected (Line 5):** The numbers for this line are transferred from the bottom row of Schedule C on the back of the return. See instructions for filling out Schedule C.
- **Total Tax Due (Line 6):** Add Lines 1 through 5, Column 5, and enter the result on Line 6, Column 5.
- **Penalty and Interest (Line 7):** If the return is filed after the last business day of the month that the return and payment is due, a 10% late payment penalty and late filing penalty of 5% per month or any portion of a month are assessed for late or unpaid taxes. The maximum total of these penalties is 25% of the tax due. On October 1, 2005, the City of Tucson began using the same interest rate as the Arizona Department of Revenue (ADOR). Interest rates can be found at <http://www.azdor.gov/ResearchStats/rates/tpinterestrates.htm>. Leave this line blank if you want the City of Tucson to compute penalty and interest. You will receive an account statement if there is a balance due.
- **Enter Total Liability (Line 8):** Add Lines 6 and 7, Column 5, and enter the result on Line 8, Column 5.
- **Enter Credit Balance to be Applied (Line 9):** The numbers for this column are transferred from the bottom row of Schedule B – Credit Details – on the back of the return. See instruction for filling out Schedule B. Do not enter an amount greater than the total tax due shown on Line 8.
- **Enter Net Amount Due (Line 10):** Subtract the amount on Line 9, Column 5, from amount on Line 8, Column 5, and enter the net amount due on Line 10, Column 5.
- **Enter Total Amount Paid (Line 11):** Enter the total amount being paid on Line 11, Column 5.

## INSTRUCTIONS FOR THE BACK OF THE RETURN

### SCHEDULE A – DEDUCTION DESCRIPTION

- **Column 1:** This column lists the most common allowable deductions and is divided into three sections. The first section is for all types of businesses except for Transient Rental and Construction Contracting. If you are allowed to claim a deduction that is not listed, enter the type of deduction in "Other" with a brief explanation. The second section lists deductions allowed only for business class code 18 – Transient Rental. The third section lists deductions allowed only for business class code 15 – Construction Contracting. There are no deductions allowed for Use Tax, business class code 99.
- **Columns 2 through 4:** These columns correspond to Lines 2 through 4 on the front of the return. Fill in the amount of each deduction you are claiming for each business class code in the applicable column.
- **Total Deductions:** Add the deduction amounts in Columns 2 through 4, and enter the sum for each column at the bottom of Schedule A in the row marked "Total Deductions". Transfer the total of each column to the corresponding line for each activity in Column 2 on the front of the return.

### SCHEDULE B – CREDIT DETAILS

- **Accounts Receivable Credit (Line 1):** Enter the amount of any credit you have available on your account.
- **Speculative Builder Credit (Line 2):** Enter the amount of City sales tax paid by the contractor to other businesses. These taxes are for expenses related to the gross income being reported.
- **Total Schedule B:** Add the amounts in Lines 1 and 2. Transfer the total to the front of the return, Line 9, Column 5.

### SCHEDULE C – EXCESS TAX COLLECTED

- **Lines 1 through 3:** These lines correspond to Lines 2 through 4 on the front of the return. Fill in the amount of excess tax collected for each business class code in the applicable line.
- **Total Schedule C:** Add the amounts in Lines 1 through 3. Transfer the total to the front of the form, Line 5, Column 5.

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### CHECK YOUR RETURN

- Itemized deductions equal the total deductions claimed?
- Taxable income equals gross income less total deductions?
- Tax due is equal to net taxable multiplied by the preprinted tax rate?
- Have you signed your return and provided a telephone number?

### PAYMENT INSTRUCTIONS

Write your check payable to: **City of Tucson. Please write your account number on the front of the check.**

Mail your tax return and check in the return envelope to: **Collections  
PO Box 27320  
Tucson AZ 85726-7320**

Pay in person at: **Tucson City Hall  
255 W. Alameda, 1<sup>st</sup> floor  
Collections Section  
Tucson, Arizona 85701**

Other cashiering locations can be found at <http://www.tucsonaz.gov/finance/cashiers.pdf>.

If you have any questions, contact the Control Section at [tax-license@tucsonaz.gov](mailto:tax-license@tucsonaz.gov), or call (520) 791-4566.