

Special Notice Effective July 1, 2013

Commercial Lease Rental Tax

As of July 1, 2013 - Commercial lease income is exempted from leases between affiliated companies, businesses, persons, or reciprocal insurers if the lessor holds a controlling interest in the lessee, or if the lessee holds a controlling interest in the lessor, or if an affiliated entity holds a controlling interest in both the lessor and the lessee, or if an unrelated person holds a controlling interest in both. Controlling interest means an 80% ownership of the voting shares of a corporation or of the interests in an entity other than a corporation.

If you have any questions regarding this exemption, please call the License Section at 520-791-4566 or Tax Audit at 520-791-4681.

**City of Tucson Claim of Exemption for Affiliated Party Leases
Under MCTC Sec. 445(s)**

Taxpayer Name: _____ **License Number:** _____

Property Address: _____ **Parcel #** _____

Legal Property Owner's Name: _____

(Attach a copy of deed, county record or any other legal document demonstrating property ownership)

The undersigned hereby claims an exemption from City of Tucson transaction privilege tax under Model City Tax Code Sec. 445(s) for the gross proceeds of rents of commercial real estate between the following affiliated parties:

Lessor Name _____ Lessee Name _____

Address: _____ Address: _____

Type of Entity _____ Type of Entity _____

(Individual, LLC, partnership, joint venture, association, corporation, estate, trust, receiver, etc.)

(Attach copies of documents demonstrating formation of legal entity i.e. Articles of Incorporation, Articles of Organization, state or federal tax returns, etc.)

Basis for exemption:

_____ Lessor owns 80% or more of lessee (attach documentation showing affiliation and percentage of ownership)

_____ Lessee owns 80% or more of lessor (attach documentation showing affiliation and percentage of ownership)

_____ A third party owns 80% or more of both lessor and lessee:

Name of third party: _____

Address: _____

Ownership interest in lessor (attach documentation): _____

Ownership interest in lessee (attach documentation): _____

Rental Management Company (if applicable) and / or Contact Person _____

Print Contact Name

Contact Phone Number

Under penalties of perjury, I declare that the above information (including supporting documentation) to the best of my knowledge and belief is true, correct and complete.

Corporate Officer/Owner Signature

Date

Print Name

Phone Number & e-mail address