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