

This brochure is intended to help those who sell products or services at temporary locations and for special events such as fairs, craft shows, festivals, markets and similar activities. It is intended to help those persons understand the business privilege (tax) laws that apply to their activities. This information is based on the Tucson City Code in effect on January 1, 2015.

WHAT IS A SPECIAL EVENT?

This is an activity that lasts only a few days and is held at a defined location. It characteristically has an organizer or organizing group and solicits or permits vendors to pay a fee to occupy space for the purpose of exhibiting or selling. A special event license is valid only for the length of the event. The fee is \$25.

WHO MUST BE LICENSED?

If you sell either tangible goods or services to consumers, you must obtain either a regular business license or special event license. A special event license is valid for only one event and costs \$25. If you plan to do multiple events, you may want to consider getting a regular City of Tucson business license. There is an application fee of \$25 and an annual license fee of \$50, prorated by quarter in the first year. Whether a vendor has a special event license or a regular business license, they will also be required to have a City of Tucson municipal tax license, which has a \$20 annual fee and covers taxable activity for all locations a business entity

has in the city during the calendar year. Vendors must be licensed even if the organizer is a not-for-profit organization. Sales at such an event are not exempt from sales tax unless all proceeds go directly to the sponsoring not-for-profit organization. If you already have a regular City of Tucson business license, you do not need a special event license.



HOW DO I GET A LICENSE?

You may apply for a regular business license on-line at <http://www.tucsonaz.gov/etax>. You cannot register for a special event license on-line. You may download a city business license application at <http://www.tucsonaz.gov/finance/apply>. When filling out the application, list the business start date as the first day of the event. In Section IV, Business Type, write "Special Event License" and put the name, location, and dates of the event. Provide your business information, including addresses, in Section I, II, and III. Do not put the event address in these sections. Mark your envelope "Attn: Special Event" to expedite processing.

WHY ARE TUCSON'S REQUIREMENTS DIFFERENT FROM OTHER CITIES I HAVE SOLD IN?

Most incorporated towns and cities require a business license. All Arizona cities and towns use the Model Cities Code. The Model Cities Tax Code is a uniform set of tax provisions for all cities that levy a business privilege tax. Some of those cities do not collect their own taxes. Vendors send all taxes to the state and the state then distributes the money to those cities. Other cities like Tucson collect taxes themselves. Cities and towns may have unique licensing requirements for Special Events that are not included in the Model Cities Tax Code.

HOW DO I KNOW WHAT THE DIFFERENT REQUIREMENTS ARE?

The Arizona Department of Revenue maintains a list of the different participating cities at <http://www.azdor.gov>, with linked contact information. This page also has further information on state requirements. You may also obtain information on each city's or town's website.

WHO MUST PAY?

If you are in the business of selling to consumers and the sale is not exempt from city tax, you must pay. Arizona and Tucson have a business privilege tax. That means that the seller owes the tax whether or not the seller added tax to the price of the items sold. The burden of proving that a sale is not taxable is on

the seller. If you sell services, those sales are generally exempt from tax, though there are some exceptions and special situations.

HOW DO I FILE AND PAY?

For a special event, you will be given a City of Tucson tax return for that time period. The tax return is due the 20th of the month following the month of the last date of the event. For example, if the event ends on August 13th, your tax return is due on September 20th. The tax rate for City of Tucson is 2%.

WHAT ARE THE ORGANIZER'S RESPONSIBILITIES?

If an individual promotes, schedules, contracts for or arranges a public event where others gather to sell, show, exhibit, display, entertain or render any services to the general public for less than 22 days, that person qualifies as a promoter and requires a license. Whatever assistance the organizer may give to those at the event, the final responsibility for the license and tax is on the seller.

FOR MORE INFORMATION ABOUT...

Taxes – contact the Audit Section:
City of Tucson – Tax Audit Section
255 W. Alameda - Second Floor
P.O. Box 27210
Tucson, Arizona 85726-7210
(520) 791-4681

Licenses – contact the License Section:
City of Tucson - License Section
255 W. Alameda - First Floor
P.O. Box 27210
Tucson, Arizona 85726-7210
(520) 791-4566
Tax-license@tucsonaz.gov

Hearing impaired: TDD (520) 791-2639

Visit the City of Tucson Web Page at:
<http://www.tucsonaz.gov>

You can **apply** for a new Tucson business license, **file** a sales tax return, **pay** license fees and taxes due, **review** account information, and **contact** tax and license representatives for help with any questions you may have.



<https://www.tucsonaz.gov/etax>

The City of Tucson prepared this brochure. It does not provide comprehensive explanations of Tucson tax laws, rules, or regulations. Specific questions should be addressed to the City of Tucson Tax Audit Section.

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