



## 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.

### INSTRUCTIONS FOR THE FRONT OF THE RETURN

- **City License No.:** Fill in your City License No. using leading zeros if necessary.
- **Period Ending:** Using the drop-down boxes choose the period ending by month and year.
- **Cycle:** Using the drop-down box, choose the cycle, MTH (Month), QTR (Quarter), ANN (Annual).
- **Business Name and Mailing Address:** Complete your business name and mailing address.
- **Business Activity:** Choose the Business Activity by using the drop-down box.
- **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):** The amounts in this column are calculated for you. The total deductions in Column 2 will be subtracted from gross income in Column 1 and entered in Column 3.
- **Tax Rate (Column 4):** Choose the tax rate for each business activity by using the drop-down box.
- **Tax Amount (Column 5):** The amounts in this column are calculated for you. The Net Taxable amount will be multiplied by the Tax Rate chosen in Column 4. **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):** The addition of Lines 1 through 5, Column 5 will be calculated for you.
- **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/tptinterestrates.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.
- **Total Liability (Line 8):** The addition of Lines 6 and 7, Column 5, will be calculated for you.
- **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. This amount must not be greater than the total tax due shown on Line 8.
- **Net Amount Due (Line 10):** The subtraction of Line 9 from Line 8, Column 5, will be calculated for you.
- **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. Column 2 will match Line 2 on page 1, Column 3 will match Line 3 on page 1, and Column 4 will match Line 4 on page 1. Fill in the amount of each deduction you are claiming for each business class code in the applicable column.
- **Total Deductions:** The deduction amounts in Columns 2 through 4 will be calculated and entered in each column at the bottom of Schedule A in the row marked "Total Deductions". These amounts will be transferred 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:** The amounts in Lines 1 and 2 will be calculated and transferred 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:** The amounts in Lines 1 through 3 will be calculated and transferred to the front of the form, Line 5, Column 5.

---

### 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 chosen 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  
mailto:[tax-license@tucsonaz.gov](mailto:tax-license@tucsonaz.gov), or call (520) 791-4566.