

**NOVEMBER 2016 AMENDMENTS TO THE
SOUTH TUCSON TAX CODE**

1. City Tax Code Amendments *(see attachment 1 for full revisions)*

The tax rate in each of the following sections of the tax code is hereby set at six and one-half percent (6.5%):

Section 11-197 Rental, leasing, and licensing for use of real property – Generally

2. Cross reference table:

South Tucson City Code; Article IV Privilege Tax	Model City Tax Code Section	Title	Business Class Code
11-187	405	Advertising	ST 018
11-188	410	Amusements, exhibitions, and similar activities	ST 012
11-189	415	Construction contracting – construction contractors	ST 015
11-190	416	Speculative Builders	ST 016
11-191	417	Owner-builders who are not speculative builders	ST 037
11-193	425	Job Printing	ST 010
11-194	427	Manufactured Buildings	ST 027
11-195	432	Mining	ST 019
11-196	435	Publishing and periodicals distribution	ST 009
11-196.3	444	Hotels	ST 044
11-197	445	Rental, leasing, and licensing for use of real property—Generally	ST 045
11-197.4	446	Additional tax on non-residential rental business activity	ST 213
11-198	447	Additional tax upon transient lodging	ST 144
11-199	450	Rental, leasing, and licensing for use of tangible personal property	ST 214
11-200	455	Restaurants and bars	ST 011
11-201	460	Retail sales—measure of tax; burden of proof; exclusions	ST 017
11-202	465	Same—exemptions	N/A
11-203	470	Telecommunication services	ST 005
11-204	430	Timbering & other extraction	ST 020
11-205	475	Transport for hire	ST 006
11-206	480	Utility services	ST 004
11-207	462	Food for home consumption	ST 062

ATTACHMENT 1

AMENDED SECTIONS (Tax Rate Increases)

ARTICLE IV.

PRIVILEGE TAX

DIVISION 5.

PRIVILEGE TAX

Sec. 11-187. Advertising.

Sec. 11-188. Amusements, exhibitions, and similar activities.

Sec. 11-189. Construction contracting--Construction contractors.

Sec. 11-190. Speculative builders.

Sec. 11-191. Owner-builders who are not speculative builders.

Sec. 11-193. Job printing.

Sec. 11-194. Manufactured Buildings

Sec. 11-195. Mining

Sec. 11-196. Publishing and periodicals distribution.

Sec. 11-196.3 Hotels.

Sec. 11-197. Rental, leasing, and licensing for use of real property--Generally.

(a) The tax rate under the provisions of this article shall be at an amount equal to ~~two and one-half (2.5)~~ **six and one-half (6.5)** percent of the gross income from the business activity upon every person engaging or continuing in the business of leasing, licensing for use, or renting real property located within the city for a consideration, to the tenant in actual possession, including any improvements, rights, or interest in such property; provided further that:

- (1) Payments taxes, repairs or improvements are considered to be part of the taxable gross income.
- (2) Charges for such items as telecommunications, utilities, pet fees, or maintenance are considered to be part of the taxable gross income.
- (3) However, if the lessor engages in telecommunication activity, as evidenced by installing individual metering equipment and by billing each tenant based upon actual usage, such activity is taxable under section 11-202.

(b) If individual utility meters have been installed for each tenant and the lessor separately charges each single tenant for the exact billing from the utility company, such charges are exempt.

(c) Charges by primary health care facilities to patients of such facilities for use of rooms or other real property during the course of their treatment by such facilities are exempt.

(d) Charges for joint pole usage by a person engaged in the business of providing or furnishing utility or telecommunication services to another person engaged in the business of providing or furnishing utility or telecommunication services are exempt from the tax imposed by this section.

(e) A person who has less than three (3) apartments, houses, trailer spaces, or other lodging spaces available for rent within the state is not deemed to be in the rental business, and is therefore exempt for the tax imposed by this section of such income. However, a person who has one (1) or more units of commercial property plus one (1) or more lodging spaces rented or available for rent is subject to the tax imposed by this section on all rental income even though such person may have fewer than three (3) lodging spaces.

(f) Exempt from the tax imposed by this section is gross income derived from the activities taxable under section 11-195.1 of this Code.

(g) Reserved.

(Ord. No. 87-02, § 1(9A-445), 7-13-87; Ord. No. 90-02, § 1, 8-13-90; Ord. No. 95-07, § 1, 8-14-95)

Sec. 197.4 Additional tax on non-residential rental business activity.

Sec. 11-198. Additional tax upon transient lodging.

Sec. 11-199. Rental, leasing, and licensing for use of tangible personal property.

Sec. 11-200. Restaurants and bars.

Sec. 11-201. Retail sales--Measure of tax; burden of proof; exclusions.

Sec. 11-202. Same--Exemptions.

Sec. 11-203. Telecommunication services.

Sec. 11-204. Timbering and other extraction.

Sec. 11-205. Transporting for hire.

Sec. 11-206. Utility services.

Sec. 11-207. Food for home consumption.

Secs. 11-208—11-250. Reserved.