

ORDINANCE NO. 2021- 01

AN ORDINANCE OF THE TOWN OF SNOWFLAKE, ARIZONA, RELATING TO THE TRANSACTION PRIVILEGE AND USE TAX; AMENDING THE TOWN TAX CODE BY INCREASING THE GENERAL RATE OF TAXATION FROM TWO PERCENT (2%) TO THREE PERCENT (3%); WITHDRAWING MODEL OPTION #15 TO IMPOSE THE USE TAX AT THREE PERCENT (3%); ADOPTING LOCAL OPTION #V CREATING A TIERED TAX RATE APPLICABLE TO THE RETAIL CLASSIFICATION AND THE USE TAX; ADOPTING LOCAL OPTION #JJ; ADOPTING MODEL OPTION #3; WITHDRAWING MODEL OPTION #5B; ADOPTING MODEL OPTION #12; PROVIDING FOR SEVERABILITY; AND DESIGNATING A GENERAL EFFECTIVE DATE OF JULY 1, 2022.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF SNOWFLAKE, ARIZONA:

Section I. The tax rate in each of the following sections of the Town tax code is increased from two percent (2%) to three percent (3%):

- Section 12-405 Advertising.
- Section 12-410 Amusements, exhibitions, and similar activities.
- Section 12-415 Construction contracting: construction contractors.
- Section 12-415.1 Liability for MRRA amounts equal to retail transaction privilege tax due.
- Section 12-416 Construction contracting: speculative builders.
- Section 12-417 Construction contracting: owner-builders who are not speculative builders.
- Section 12-425 Job printing.
- Section 12-427 Manufactured buildings.
- Section 12-430 Timbering, and other extraction.
- Section 12-435 Publishing and periodicals distribution.
- Section 12-444 Hotels.
- Section 12-450 Rental, leasing, and licensing for use of tangible personal property.
- Section 12-460 Retail sales: measure of tax; burden of proof; exclusions.
- Section 12-462 Retail sales: food for home consumption.
- Section 12-470 Telecommunication services.
- Section 12-475 Transporting for hire.
- Section 12-480 Utility services.

Section II. Withdrawing Model Option #15, inserting Article VI of the Model City Tax Code, and imposing the Use tax at three percent (3%) under the following section:

Section 12-610. Use tax: imposition of tax; presumption.

Section III. Adopting Local Option #V under Section 12-460 imposing a two-level tax structure on sales of "big-ticket" items subject to Retail, as follows:

Section 12-460. Retail sales: measure of tax; burden of proof; exclusions.

...

- (d) Notwithstanding the provisions of subsection (a) above, when the gross income from the sale of a single item of tangible personal property exceeds ten thousand dollars (\$10,000), the three percent (3%) tax rate shall apply to the first \$10,000. Above \$10,000, the measure of tax shall be at a rate of two percent (2%).

Section IV. Adopting Local Option #V under Section 12-610 imposing a two-level tax structure on purchases of “big-ticket” items subject to the Use tax, as follows:

Section 12-610. Use tax: imposition of tax; presumption.

...

- (e) Notwithstanding the provisions of subsection (a) above, when the amount subject to the tax for any single item of tangible personal property exceeds ten thousand dollars (\$10,000), the three percent (3%) tax rate shall apply to the first \$10,000. Above \$10,000, the measure of tax shall be at a rate of two percent (2%).

Section V. Adopting Local Option #JJ under Section 12-660 exempting the Town from its Use tax to preclude redundant transfers to and from the ADOR, as follows:

Section 12-660. Use tax: exemptions.

...

- (z) tangible personal property used or stored by this City.

Section VI. Adopting Model Option #3 under Section 12-425 removing exemption for job printing sold to publishers, as follows:

Section 12-425. Job printing.

...

- ~~(b)(4) (Reserved) job printing of newspapers, magazines, or other periodicals or publications for a person who is subject to the tax imposed by Subsection 12-435(a) or an equivalent excise tax; provided further that said person is properly licensed by the taxing jurisdiction at the location of publication.~~

Section VII. Withdrawing Model Option #5B under Section 12-445, previously adopted in error, as follows:

Section 12-445. Rental, leasing, and licensing for use of real property.

...

- (f) ~~(Reserved)~~ A person who has less than three (3) apartments, houses, trailer spaces, or other lodging spaces rented, leased or licensed or available for rent, lease, or license within the State and no units of commercial property for rent, lease, or license within the State, is not deemed to be in the rental business, and is therefore exempt from the tax imposed by this Section on such income. However, a person who has one (1) or more units of commercial property is subject

to the tax imposed by this Section on rental, lease and license income from all such lodging spaces and commercial units of real estate even though said person may have fewer than three (3) lodging spaces.

Section VIII. Adopting Model Option #12 under Section 12-475 to exempt transporting of persons or property by motor vehicle for hire, as follows:

Section 12-475. Transporting for hire.

- ...
- (d) ~~(Reserved)transporting of persons or property by motor vehicle, including towing and the operation of private car companies, as such are defined in Article VII, Chapter 14, Title 42, Arizona Revised Statutes; provided, however, that the tax imposed by this subsection shall not apply to:~~
- ~~(1) (Reserved)gross income subject to the tax imposed by Article IV, Chapter 16, Title 28, Arizona Revised Statutes.~~
  - ~~(2) (Reserved)gross income derived from the operation of a governmentally adopted and controlled program to provide urban mass transportation.~~
  - ~~(3) (Reserved)~~
  - ~~(4) (Reserved)~~

Section IX. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

Section X. The provisions of Sections I through VIII of this ordinance shall become effective on and after July 1, 2022.

PASSED AND ADOPTED by the Mayor and Council of the Town of Snowflake, Arizona, this \_\_\_\_ day of \_\_\_\_\_ 2022.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Town Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Town Attorney