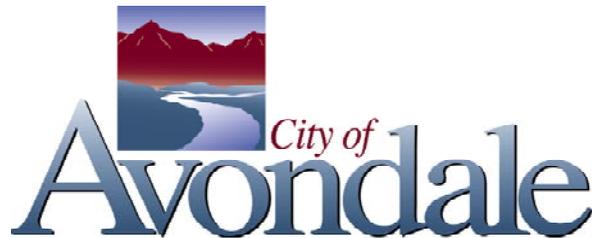




STARTING A NEW BUSINESS

Tax & License Requirements



City Hall
(623) 333-1000
Planning & Zoning
(623) 333-4004
Development Services
(623) 333-4000
Finance & Budget Department
(623) 333-2000

City of Avondale
Tax & License Office
11465 W. Civic Center Drive
Avondale, Arizona 85323
(623) 333-2000
www.avondale.org

January 2011

BINGO TAX LICENSE

All qualified organizations operating a bingo game must be licensed by the State. Refer to the Arizona Revised Statutes and the Arizona Administrative Code.

Contact:
Arizona Department of Revenue
Bingo Section
1600 West Monroe
Phoenix, Arizona 85007
(602) 716-7801

OTHER REQUIREMENTS

Liquor License

Establishments selling alcoholic beverages must obtain a State and Avondale City liquor license.

Contact:
Arizona Liquor License and
Control Department
800 West Washington, 5th Floor
Phoenix, Arizona 85007
(602) 542-5141

Avondale City Clerk
11465 W. Civic Center Dr.
Suite #200
Avondale, Arizona 85323
(623) 333-1200

Contractor License

Contractor's doing business in Arizona may be required to be licensed and meet certain bonding requirements.

Contact:
Registrar of Contractor
Licensing and Bonds
800 West Washington, 6th Floor
Phoenix, Arizona 85007
(602) 542-1525 in Phoenix

Personal Property Tax

A list of personal property (other than motor vehicles) that will be used in your business must be furnished to your local County Assessor's Office.

Contact:
Check your local telephone directory for listings.

Worker's Compensation

You may be required to provide insurance coverage to protect your workers in case of industrial injury.

Contact:
Industrial Commission of Arizona
800 West Washington
Phoenix, Arizona 85007
(602) 542-4661

Unemployment Insurance

You may be required to pay state unemployment insurance taxes and submit quarterly returns for workers.

Contact:
Arizona Department of Economic
Security Unemployment
Insurance
4000 North Central Ave, Suite 500
Phoenix, Arizona 85012
(602) 771-6606

Other offices are located throughout the state. Please check your local telephone directory.

Corporations

All profit and non-profit corporations must register with the Arizona Corporation Commission.

Contact:
Corporation Commission/
Corporations Division
1300 West Washington
Phoenix, Arizona 85007
(602) 542-3026

For a Copy of the "Professions/Activity Guide," Write to:

Arizona Department of Commerce
3800 N. Central Avenue,
Suite. 1650
Phoenix, Arizona 85012
(602) 280-1480
(800) 542-5684

To Register your Business Name Contact:

Secretary of State
1700 W. Washington
West Wing, 7th Floor
Phoenix, Arizona 85007
(602) 542-4285

Welcome to the City of Avondale

- We wish you success in your new venture and hope this brochure will assist you in understanding some of the license and registration requirements of the City of Avondale and the State of Arizona. Before starting your new business, we encourage you to read this brochure and contact us if you have any questions concerning the information presented within.
- This brochure is for general informational purposes only. You should contact your tax advisor as to your specific situation. In case of any inconsistencies or omissions, the City Code and City Sales Tax Code shall prevail over the language in this publication.

TRANSACTION PRIVILEGE TAX (SALES TAX)

- Anyone who is to conduct a business taxable under the Avondale Transaction Privilege Tax Code (Sales Tax Code) must apply for an annually renewable sales tax license.
- A separate license is needed for each location from which business will be conducted.
- The sales tax is broken down into various classifications. The classes of activities which are subject to the tax include the following:

- Advertising
- Amusements
- Contracting
- Hotels/Motel
- Manufactured Buildings
- Mining
- Printing
- Publishing
- Rental of Personal Property
- Rental of Real Property
- Restaurants & Bars
- Retail Sales
- Telecommunications
- Timbering
- Transportation
- Utilities



For current tax rates, please contact the City of Avondale Sales Tax Services at (623) 333-2001.

NOTE: *Although the sales tax is usually passed on to the consumer, it is actually a tax on you, the vendor, for doing business in the City of Avondale.*

As with all licenses and registrations administered by the City, the sales tax license is non-transferable when business ownership or location changes. The license shall be on display to the public in the licensee's place of business.

Once licensed, businesses must file monthly sales tax returns with the City of Avondale for six months. Your filing frequency may be adjusted based upon the net taxable income that you have reported. The due date for the sales tax return is the 20th of the month following the month in which the tax is collected. Returns must be received by the department on or before the last business day of the month to avoid penalty and interest.

Delinquent penalties are 5% per month for late filing and 10% for late payment, up to a maximum of 25% of the total amount due, plus interest. By law, interest may not be waived.

TPT License Fees:
New License -- \$40 Annually, Plus One
Time \$25 Application Fee,
(No Proration)

USE TAX

Businesses (or individuals) making out-of-state purchases for their own use — not for resale — on which no sales tax is paid are required to pay the use tax.

Individuals who acquire tangible personal property of less than \$1,000 per item are exempt from use tax on those items.

Businesses planning to use, store, or consume goods brought into the City of Avondale on a regular basis must obtain a use tax license.

For current use tax rates, please contact Sales Tax Services at (623) 333-2001. Due dates for reporting use tax, penalties and interest are the same as listed for the sales tax.

Use Tax License Fees:
New License -- \$40 Annually, Plus One
Time \$25 Application Fee,
(No Proration)

BUSINESS LICENSE

All persons engaging in business, occupations or professions within the city limits who are not required to obtain a sales tax license (i.e., service businesses) are required to obtain a business license. A separate license is needed for each location from which business will be conducted.



The business license is valid for a 12-month period, from January 1 of the year in which it is issued, and continuing through December 31 of the same year.

The business license shall be invalid unless renewed by January 31 of the following year. Any person who fails to renew the license on or before the above date shall be deemed to be operating without a license, and will be subject to a penalty of 25% of the fee.

The business license is non-transferable between owners or locations, and shall be on display to the public in the licensee's place of business.

For additional information or for a copy of the Avondale City Code, call (623) 333-2001.

Business License Fees:
New License -- \$40 Annually, Plus One
Time \$25 Application Fee,
(No Proration)

State of Arizona Business & Tax Licenses are also required. The State will collect any applicable Maricopa County taxes as well.

For Licensing Information Contact:

City of Avondale
Tax and License Division
11465 W. Civic Center Dr.
Suite #270
Avondale, Arizona 85323-6808
(623) 333-2001

Arizona Department of Revenue
License and Registration Section
Phoenix:
1600 West Monroe
Phoenix, Arizona 85007
(602) 255-2060
(800) 843-7196
<http://www.azdor.gov/>

ARIZONA WITHHOLDING TAX

All wages, salaries, bonuses or other compensation paid for services performed in Arizona are subject to state income tax withholding, unless specifically exempted (e.g., wages paid to seasonal agricultural workers).

Before hiring employees in Arizona, the employer must obtain a withholding registration certificate from the Department of Revenue.

For the current rates and any other information concerning state withholding, please contact the Arizona Department of Revenue at (602) 255-2060.

ARIZONA INCOME TAX

A sole proprietorship must pay Arizona income tax on the Arizona net earnings (income after expenses). Each member of a partnership must pay Arizona income tax on their share of the partnership's net earnings. Corporations must pay corporate income tax on net earnings after adjustments.

Contact:

Arizona Department of Revenue
Taxpayer Information Services
(602) 255-3381 or
(800) 352-4090