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TAX BULLETIN

October 1, 2008

Effective October 1, 2008, Ordinance 4841 will amend the City of Mesa Tax Code requiring property owners of two or more units available for rent in the State, of which at least one is in Mesa, to obtain a City of Mesa transaction privilege (sales) tax license and remit tax on Mesa rental income

If you do not have a Mesa Transaction Privilege Tax (TPT) license for your property and will be subject to the above tax beginning October 1, 2008, please complete a transaction privilege tax license application **Only one tax license application & one \$50 fee is required to report the tax for multiple residential properties owned by the same person.**

(NOTE: Payments made by the tenant/entity in possession for items such as property taxes, building insurance, general maintenance costs, mortgage, additional charges, etc., which are usually paid by the owner, are considered part of gross income and are taxable. Transactions between affiliated companies or persons are taxable based upon the "Market Value" of similar transactions where no common interest exists between the parties.

Additional information regarding the tax on Rental of Real Property can be obtained on the Tax & Licensing webpage at www.cityofmesa.org/salestax. Please refer to the Mesa Tax Code and Ordinance 4841 for the exact language change to the City of Mesa Tax Code.