



TRANSACTION PRIVILEGE AND USE TAX RETURN STEP-BY-STEP INSTRUCTION SHEET

These instructions should be retained for future reference in completing your transaction privilege and use tax returns.

- 1) If applicable, make any mailing address corrections in this area.
- 2) If you want to cancel your license check this box and indicate reason.
- 3) Check this box if you have no taxes to report for the reporting period.
- 4) Business description: specify the type of business you are reporting taxes for (i.e. rental, retail, construction, etc.).
- 5) Business class: Find your classification codes by referring to the list of codes on the back of this page.
- 6) Gross Income (column 1): Enter the gross income, including tax collected, for each applicable business class. 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 billed per customer invoices, including progressive billings for construction contracting, in the reporting period.
- 7) Allowable Deductions (column 2): Enter the total deductions from the back of the return for each applicable business class.
- 8) Net Taxable (column 3): Subtract total deductions in column 2 from gross income in column 1 and enter here.
- 9) Tax Rate % (column 4): This is the City of Mesa tax rate which is preprinted on the report form.
- 10) Tax Amount (column 5): Multiply column 3 (net taxable) by column 4 (tax rate) for each business code and enter here.
- 11) Line 7: All use tax is to be entered on this line.
- 12) Line 9: Subtotal all columns here.
- 13) Line 10: If more tax was collected than is due, enter the city portion of the excess tax collected (from Schedule B).
- 14) Line 11: Enter the total of lines 9 and 10.
- 15) Line 12: This is for current late penalty & interest if applicable. Leave this line blank if you want the City to compute and bill you for the penalty and interest. If you want to pay the penalty & interest contact Tax Audit & Collections at 480-644-2051.
- 16) Line 13: Enter the total of lines 11 and 12.
- 17) Line 14: If you received notice from the City of a credit balance, enter the amount to be applied to the tax due. Do not exceed the total tax due. **Submit a copy of the City's credit notice with your return.**
- 18) Line 15: Subtract line 14 from line 13 and enter that amount here.
- 19) Line 16: Enter the amount of the check.

Make your check payable to the City of Mesa and submit to the City of Mesa with the original tax return. **Do not staple** the check to the return. If no payment is being made, enter zero.

- 20) Signature/Date line. **THIS IS REQUIRED.**

Instructions for back of return

Deduction Detail:

The six columns correspond to the six lines on the front of the return for the business class/description (see step 4, 5).

- 21) Enter the business class codes to match with the corresponding lines on the front of the return.
- 22) Enter the amount of each deduction on the appropriate deduction line for each business class.

To the left of the columns are the preprinted deductions. If a deduction, which you are allowed to claim is not listed, enter the name of the deduction on line 17 through 20 in the space provided and enter the amount in the column relating to the business class.

- 23) Total Deductions: Add each column and enter the sum at the bottom of the return for each column. Transfer the total of each column to the corresponding line in Column 2 on the front of the return.

Schedule B

- 24) Excess Tax Collected by Business Class: Enter any excess tax collected by business class. Enter this amount on line 10 on the front page of return.
- 25) Jet Fuel: For jet fuel enter the amount of gallons sold and calculate this amount by .03. Enter this amount on line 10 on the front page of return.

CODE	RATE	ACTIVITY	CODE LEGEND DEDUCTION ITEMS	CODE	ALLOWABLE DEDUCTION ITEMS EXPLANATION
01	1.75%	Advertising	52,53,64	52	Discounts and Refunds (If Included in Gross)
02	1.75%	Contracting-prime/ Speculative	62,64,70,71	53	Bad Debts(If Included in Gross)
03	.1%	*Mining	52,53,64	54	Sales for Resale (Detail Records Must Be Kept)
04	1.75%	Job Printing	52,53,54,64,65	55	Out of State Sales and Leases
05	1.75%	Publishing	52,53,54,64	58	Sales and Leases of Prosthetics and Prescription Drugs
06	1.75%	Transporting for Hire	52,53,64	59	Sales of Motor Vehicle and Use Fuel
07	1.75%	Restaurants/Bars	52,53,64,65	62	Out of City Contracting
08	1.75%	Leases and Rentals of Tangible Personal Property	52,55,58,64,65	63	Repair Service or Installation Labor
		Including Equipment Rentals		64	State, County and City Tax Collected or Factored (If Included in Gross)
09	1.75%	Rental of Real Property	53,64	65	Sales to Qualified Health Care Organizations
10	1.75%	Retail Sales	52 thru 59,63,64,65,75,76,77	70	35% Reduction of Gross Receipts
12	1.75%	Amusements	53,64	71	Exempt Sub-contracting Income
13	1.75%	Utilities	53,64,65	75	50% of Sales to the United States Government
14	1.75%	Telecommunications (Cable TV and Communications)	53,64	76	Sales of Exempt Machinery and Equipment
20	1.75%	Use Tax		77	Food For Home Consumption
					Other Deductions Not Otherwise Classified Must Be Itemized (Explained). Use Item Numbers 78 Through 81.

*See section 5-10-432 in City of Mesa Tax Code

000XXXXXXXXXXXX20XX

License No. XXXXXXX
 Reporting Period month/year
 Due Date XX/20/XXXX

Taxpayer Business Name
 Taxpayer C/O
 Taxpayer Address
 Taxpayer City/State/ZIP Code

Please indicate mailing address change here.

1

CANCEL LICENSE:
 Check here and sign at the bottom to cancel your license.

2

Reason _____
 Date Business Closed _____

SPECIAL NOTICE

[Empty box for Special Notice]

Check here and sign at the bottom if you have no gross receipts to report. 3

THIS RETURN IS DUE ON THE 20TH OF THE MONTH

Business Description	Line	Bus. Class	Column 1 Gross	Column 2 Allowable pg 2 - Deductions	Column 3 = Net Taxable	Column 4 x Tax Rate 9	Column 5 = Tax Amount
4	1	5	6	7	8	1.75%	10
	2					1.75%	
	3					1.75%	
	4					1.75%	
	5					1.75%	
	6					1.75%	
USE TAX 11	7	20				1.75%	
TOTAL FROM ADDTL PAGES	8					1.75%	
	9	SUBTOTAL				1.75%	12
	10	(Total from Schedule B) EXCESS CITY TAX COLLECTED/JET FUEL				Plus (+)	13
	11	TOTAL TAX DUE				Equals (=)	14
	12	(see instructions) PENALTY & INTEREST				Plus (+)	15
	13	ENTER TOTAL LIABILITY				Equals (=)	16
	14	(Total from Schedule B) CREDIT TO BE APPLIED				Minus (-)	17
	15	ENTER NET AMOUNT DUE				Equals (=)	18
	16	ENTER TOTAL AMOUNT PAID					19

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

20 _____
 Taxpayer's Signature _____

 Print Name _____ Phone # _____

 Print Paid Preparer's Name _____

A SIGNATURE IS REQUIRED TO MAKE THIS RETURN VALID

Mailing Address

Return original with remittance in envelope provided.

PO Box 16350

Please make check payable to: CITY OF MESA

Mesa Arizona 85211-6350

Complete both sides of form.

DUE DATE: The due date for the city privilege tax is the 20th of the month following the reporting period. A return is considered timely if received by the last business day of the month. A business day is any day except Friday, Saturday, Sunday, or legal city holiday.

000XXXXXXXXXXXX20XX

License No. XXXXXXX
 Reporting Period month/year
 Due Date XX/20/XXXX

- PENALTIES:**
1. Failure to File - A penalty of 5% of the tax due will be assessed for each month, or fraction elapsing between the delinquency date of the return and the date on which it is filed. Filing your return on time, whether or not you pay the tax due, will avoid the late filing penalty.
 2. Failure to Pay - A penalty of 10% of the unpaid tax will be assessed if the tax is not paid timely.
 3. Total Penalty - Total penalties assessed will not exceed 25%.

POSTMARKS ARE NOT EVIDENCE OF TIMELY FILING.

INTEREST: Mesa's interest rate is the same as the State rate and continues to accrue until taxes are paid. This interest rate is subject to change on a quarterly basis as established by the I.R.S.

CHECK YOUR RETURN: Check the amounts recorded by type of income for each line item as follows.

- * Itemized deductions equal the total deductions recorded.
- * Taxable income equals gross income less total deductions.
- * Tax due is equal to the amount obtained by applying the preprinted tax rate to the taxable income amount.
- * Total tax due equals tax due plus any excess tax collected.

FOR ASSISTANCE, CALL: City of Mesa(480)644-2316 Fax:(480) 644-3999

SCHEDULE A - DETAILS OF DEDUCTIONS: Enter below the deductions and exclusions you used in computing your city transaction privilege tax or use tax. You must keep a detailed record of all deductions and exclusions. Failure to maintain proper documentation and records required by city ordinance may result in their disallowance. A separate detail of city records and documentation must be maintained only when the income, deductions or exemptions are different from state requirements.

Please note: Not all deductions are available to all business classifications.

NOTE: The line numbers at the top of each column below correspond with the line numbers of the business descriptions listed on the front page.

	Code	Bus. Class	Bus. Class	Bus. Class	Bus. Class	Bus. Class	Bus. Class
		LINE 1	LINE 2	LINE 3	LINE 4	LINE 5	LINE 6
1. Total tax collected or factored (State, county and city)	64	22					
2. Bad debts on which tax was paid	53						
RETAIL & PERS. PROP. RENTALS							
3. Sales for resale	54						
4. Repair, service, or installation labor	63						
5. Discounts and refunds	52						
6. Sales to qualified health care org.	65						
SALES TO U.S. GOVERNMENT							
7. By retailer 50% deductible	75						
8. By manufacturer and repairer (100% deductible)	75						
9. OUT-OF-STATE SALES							
	55						
CONSTRUCTION CONTRACTING							
10. 35% reduction of gross receipts	70						
11. Exempt sub-contracting income	71						
12. Out-of-City Contracting	62						
OTHER DEDUCTIONS							
13. Sales of motor vehicle and use fuel.	59						
14. Sales of exempt machinery & equip.	76						
15. Prescription drugs/prosthetics	58						
16. Food for home consumption	77						
17. Other (explain) _____	78						
18. Other (explain) _____	79						
19. Other (explain) _____	80						
20. Other (explain) _____	81						
Total Deductions							

SCHEDULE B

Excess Tax Collected by Business Class

Allowable Credits by Business Class

Jet Fuel _____ gals. X .03=

>>> transfer this amount to line 10 on front page.