

## **IS MY BUSINESS TAXABLE?**

It is the responsibility of the business to charge sales tax on their transactions. Following are a few of the lesser known business types that need to collect and submit tax. If you do not find your business/category listed anywhere in this brochure, please call to verify that you do not need to charge sales tax.

- Groceries, Water and Ice
- Health Clubs
- Coupon Mailers/Door Hangers
- Alarm Monitoring Fees
- Residential Rentals\*
- Commercial Rentals\*
- Beauty/Tanning/Nail Salon Products sold at Salon location
- Builder/Owner if selling property within 2 years of completion.
- Products shipped to an Arizona address from Gilbert business.
- Products sold to Town of Gilbert
- Safety Deposit Box Rentals
- Storage Space/Locker Rentals
- Art Gallery Sales
- Auctions

\*Please refer to rental brochure for detailed information on residential and commercial rentals.

## **EXEMPTIONS**

The following business services are not taxable:

- Service/Labor Charges
- Disposal Fees
- Out of State Sales
- Delivery or Installation Charges
- Warranty/Service/Maintenance Contracts
- Prosthetics
- Stocks/Bonds/Options

## **NEED MORE HELP?**

Town of Gilbert staff are available to assist you with your questions. You can stop by 50 E Civic Center (Town Hall), Monday – Thursday from 7 AM - 6 PM; appointments are recommended.

You can also email your questions to [SalesTax@GilbertAZ.gov](mailto:SalesTax@GilbertAZ.gov).

This brochure is meant to be a guideline only. For complete details, refer to the Town of Gilbert Tax Code and related regulations.

The Arizona Department of Revenue (AZDOR) administers the transaction privilege tax for the Town of Gilbert. This means that you will license, report and pay your Town of Gilbert transaction privilege taxes (TPT) to the AZDOR and they will distribute the applicable monies to the municipality.

TPT is commonly referred to as sales tax; however, it is a tax on the business and not the consumer. The business may choose to pass the tax on to their customer. It is the “privilege” of doing business within the town and is not a true sales tax.



# **Town of Gilbert**

## **Taxable Sales Guidelines**

## **Tax Compliance**

50 E Civic Center Drive  
Gilbert, AZ 85296  
480-503-6852

[SalesTax@GilbertAZ.gov](mailto:SalesTax@GilbertAZ.gov)

[www.GilbertAZ.gov/TaxCompliance](http://www.GilbertAZ.gov/TaxCompliance)

## **TAXABLE CATEGORIES**

Following is a list of Town of Gilbert taxable activities. This listing provides only a broad example as to which activities are taxable. Please refer to the [Model City Tax Code](#) which is available on our website for detailed descriptions and comprehensive definitions. [www.gilbertaz.gov/taxcompliance](http://www.gilbertaz.gov/taxcompliance)

These activities are taxable by both the State and the Town of Gilbert at a combined rate of 7.8% unless indicated “Town Only”, then it is taxed at the Town rate of 1.5% only.

### **ADVERTISING - “TOWN ONLY”**

The activity of advertising by billboard, direct mail, radio, television or any other means is taxable under this category.

### **AMUSEMENTS**

Any business charging admission for exhibition, amusement or entertainment is taxable under this business category. This includes member fees paid to health clubs.

### **CONTRACTING**

The construction, alteration, repair or demolition of real property. Please refer to Construction Guideline Brochure for details.

### **GROCERIES – “TOWN ONLY”**

Grocery and food items are taxable in Gilbert. Water and ice are considered taxable food items.

### **HOTEL/MOTEL/TRANSIENT LODGING**

Any public or private facility located within the Town providing lodging to any person. There is an additional 3% transient tax added to this category if the space is rented for 30 days or less. The total tax would be 1.5% plus 2.8% = 4.3% for Gilbert.

### **JOB PRINTING**

The activity of copying or reproducing an article by any means, process or method.

### **MANUFACTURED BUILDING**

The business of selling manufactured buildings within the Town.

### **TIMBERING/EXTRACTION**

A business engaged in felling, producing or preparing timber for sales or one engaged in extracting, refining or producing gas or oil for sale.

### **MINING**

Any business engaged in mining, smelting or producing minerals or mineral products for sale.

### **PUBLISHING**

The publication of newspapers, magazines or other periodicals within the Town and taxable subscription and advertising income based on local circulation.

### **RENTALS (REAL ESTATE)**

Residential and commercial rentals are taxable in Gilbert. Any rental of a specific space or area is taxable no matter the venue. Please refer to Commercial and Residential Rental Brochure.

### **RENTALS (TANGIBLE PROPERTY)**

Any business which leases, licenses for use, or rents equipment.

### **RESTAURANTS AND BARS**

Restaurants include any business where articles of food, drink or condiment are prepared or served to patrons for consumption on or off the premises.

### **RETAIL SALES**

Retail sales include the sale of any tangible personal property; examples include food, automobiles, furniture, clothing, tools and equipment.

### **TELECOMMUNICATIONS**

Any service or activity connected with transmission or relay of sound, image, data or information over a communication channel.

### **TRANSPORTING FOR HIRE**

Any business providing the transport of persons or property by rail or motor vehicle or the transport of oil or gas through pipe or conduit.

### **UTILITY SERVICES**

Any business producing, providing or furnishing electricity, power, gas or water to consumers within the Town of Gilbert.