

MESA CONVENTION CENTER EVENTS

WHAT IS AN EVENT?

An event may be a trade show, swap meet, craft show, specialty show, fair, parade, sporting event, circus, country store at a RV park, carnival, festival, religious revival or other church event, political rally, vehicle show and display or similar recognized activity.

ARE EVENT ACTIVITIES TAXABLE?

Transaction privilege tax is divided into different classifications or activities. The most common classifications of taxable transactions for vendors at events include the following: retail sales, restaurant/bar, amusements, licensing for use of real or personal property, and rental of real property (commercial lease).

RETAIL SALES

If you sell tangible personal property, including crafts (even if you consider it a hobby), at events in the City of Mesa, you must obtain the Transaction Privilege Tax License from the City of Mesa and are responsible for transaction privilege tax under the Retail Tax Classification. There are a few exceptions to the tax on retail sales; however, the most common exemption is sale for resale (sometimes called wholesale). **Note:** *The exemption for sales of food for home consumption does not apply if the event at which the food is sold charges admission.*

SALES FOR RESALE (WHOLESALE)

When you sell an item to a customer who plans to rent or resell the item in the normal course of their business, you may not owe tax on that sale. You must have a clear and complete record of these sales or you will be responsible for the tax. Your records must separately show figures for retail sales and sales-for-resale. Sales-for-resale may be documented by using an exemption certificate prescribed by the Mesa Tax Code.

To make a valid sale for resale, you must record:

- 1) the merchandise or property sold,
- 2) the buyer's name and address,
- 3) the buyer's transaction privilege tax license number, and
- 4) a signed statement by the buyer stating the goods will be resold in the ordinary course of business.

Remember, without complete records, all your sales are subject to tax. The City of Mesa will accept the Arizona Department of Revenue Form 5000 "Exemption Certificate" if complete and accepted in good faith.

SALES OF ARTWORK

The sales of paintings, sculptures or similar works of fine art, provided that such works of fine art are sold by the original artist, are exempt. However, the sales of "art creations", such as jewelry, macramé, glasswork, pottery, woodwork, metalwork, furniture, and clothing, when such "art creations" have a dual purpose, both aesthetic and utilitarian, are **not** exempt, whether sold by the artist or by another. See Mesa Tax Code, Section 5-10-465 (t).

RESTAURANT/BAR (FOOD & BEVERAGE)

Sales of food or beverages prepared or served for consumption on or off the premises, including the activity of catering, are taxable under the Restaurant and Bar Tax Classification. Cover charges and minimum charges must be included in the gross income. Businesses selling alcoholic beverages are required to obtain a City of Mesa Liquor License as well as the City of Mesa Transaction Privilege Tax License. Contact the licensing office at 480 644-2316 for information.

AMUSEMENTS

The tax on amusements applies whenever an admission is charged for events, exhibitions or entertainment. Any charges or fees for activities such as carnivals, circuses, fairs, contests, games, rides, animal rides, balloon rides, public dances, dance halls, sports events or any admission fees are subject to tax under the Amusement Tax Classification.

RENTAL OF REAL PROPERTY & LICENSING FOR USE

Space rental to vendors at events may be taxable if the rental constitutes a lease of real property. This tax is imposed on any individual renting property or space to vendors at events. Tax may be added to the cost of the vendor's rental fee. If the rental were merely a "license" granting permission to use the space rather than an actual lease of the property, the rental income received would be taxable under licensing for use in the Mesa City Tax Code.

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Examples of licensing for use income include commissions received for licensing space for vending and amusement game machines or pay telephones, commissions received for the use of a business or property or similar charges for the use of space.

The definition of "Licensing for Use" means any agreement between the user ("licensee") and the owner or the owner's agent ("licensor") for the use of the licensor's property whereby the licensor receives consideration, where such agreement does not qualify as a "sale" or "lease" or "rental" agreement.

SUBLEASING AT THE MESA CONVENTION CENTER

Income from subleasing is taxable, but the sublease provides a tax refund opportunity for the promoter at the Mesa Convention Center. The promoter is entitled to request a refund for the portion of the property subleased to their vendors.

For example, if A (City of Mesa) leases a 10,000 square foot building to B (promoter) for \$6,000 per event (the primary lease), and B subleases 8,000 square feet to C (vendors) for \$10,000 per event (the sublease), the tax liabilities of A and B are computed as follows:

- B's liability is for the tax on his subleasing income of \$10,000
- B's liability is reduced by the portion of the building that is subleased and may request a refund.

8,000 square feet subleased (documented by B's sublease agreement with C the vendors)

divided by

10,000 square feet in primary lease (between A and B) equals

80% of the primary lease is exempt and the promoter is able to request a refund from the City of Mesa by submitting a "Mesa Convention Center Tax Refund Request Subleasing Booth Space by Promoter" form and a copy of their rental contract.

- B is entitled to a tax refund for 80% of their \$6,000 rental charge or \$4,800 at the current tax rate. The tax refund would be \$84.00.

This exemption must be computed based on the square footage subleased, not the values of the primary lease and the sublease. The promoter will need to subtract common areas not subleased.

DISPLAYING THE TAX LICENSE

The transaction privilege tax license shall be on display to the public in the licensee's place of business in a conspicuous place. Posting the license at all times avoids delays while conducting business when tax department representatives make compliance checks to verify the vendors are licensed.

REPORTING YOUR TAX LIABILITY

All vendors are required to report transaction privilege taxes for any sales occurring at the Convention Center **10 days after the expiration of the license**. Vendors must obtain a Convention Center transaction privilege tax license prior to the event from our Licensing Office which is good for 30 days. The cost of the license is \$5.00. The application can be downloaded from our website at http://mesaaz.gov/forms/salestax/pdf/CC_Lic.pdf

FACTORING TRANSACTION PRIVILEGE TAX

When a business "factors" transaction privilege tax, it means the tax is included in the total price rather than shown as a separate charge. If you choose to factor the tax, the tax must be calculated using a factoring formula. There are many different factoring formulas depending on the city tax rates, state and county tax rates or differences in allowable city tax deductions.

Factors for the State, Maricopa County & City of Mesa tax rate of 9.05% are:

.08298945	Retail, Restaurant/Bar, Amusements, Rental of Personal Property
.02200489	Rental of Real Property – Commercial Lease (Exempt for the State)
.01719902	Rental of Real Property – Licensing for Use (Exempt for State & County)

CALCULATING THE TAX

Although transaction privilege tax is usually passed on to the customer, it is actually a tax on the vendor for doing business in Arizona. The tax can be added to the sales price or factored into the sales price.

RETAIL SALES AT EVENTS

The City of Mesa tax rate is 1.75% of the taxable income. The total combined rate is 9.05% for retail sales. (6.6% state + .7% county + 1.75% city).

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OTHER LICENSES

You may be required to obtain a Special Event License in addition to the tax license. Please contact the Licensing office for additional details.

PROMOTERS RESPONSIBILITY FOR VARIOUS EVENTS

The City of Mesa requires a Sales Tax license for any sales that go on in the City limits. This includes all the sales at various RV Parks and/or Country Stores, Convention Center, Hotels, Trade Shows, etc. Each vendor selling items must have a City and a State Transaction Privilege Tax License PRIOR to setting up for sales.

The Promoter, Park Managers, Event Coordinators, and/or Activity Officers should be checking that each vendor wanting to set up is able to present an actual valid license from both the City of Mesa and the State of Arizona. These licenses are required per the Tax Code for the City of Mesa and the Arizona Department of Revenue. Any vendor unable to present these licenses should not be permitted to setup and sell until proof of licensure is provided. The Promoters or Event Coordinators should retain a copy of the licenses in their files. A list of the participating vendors and City tax license numbers should be provided as backup with the event coordinators tax return regarding the booth rental income.

OUT OF STATE SALES

All of the following requirements must occur for an out of state exempt sale of tangible personal property:

- The order is placed from without the State of Arizona; and
- The property is delivered to the buyer at a location outside the State; and
- The property is purchased for use outside the State.

Persons engaged in a business claiming out-of-State sales shall maintain accounting records or books indicating for each out-of State sale the following documentation:

- Information regarding location of order placement; and
- Shipping, delivery or freight documents showing where the buyer took delivery; and

- Documentation of intended location of use or storage of the tangible personal property sold to such buyer.

BROKERS

A broker acting for a seller, lessor or other similar person deriving gross income shall be liable for the tax. See Mesa Tax Code, Regulation 5-10-100.1.

This publication is for general information about Transaction Privilege (Sales) Tax on Events. For complete details, refer to the City of Mesa Privilege & Excise Tax Code and related regulations. In case of inconsistency or omission in this publication, the language of the Tax Code will prevail. The transaction privilege tax is commonly referred to as a sales tax; however, the tax is on the privilege of doing business in Mesa and is not a true sales tax.

FOR LICENSING INFORMATION CONTACT:

480.644.2316
licensing.info@mesaaz.gov

FOR TAX INFORMATION CONTACT:

480.644.2051
salestax.info@mesaaz.gov



LICENSING OFFICE
P.O. Box 1466
Mesa, Arizona 85211-1466
www.mesaaz.gov/salestax

NOTICE TO SOLE PROPRIETOR, INDIVIDUAL AND/OR HUSBAND & WIFE BUSINESSES

All persons applying for municipal licensing as Individuals, Sole Proprietors, or Husband & Wife businesses, must provide evidence of their legal right to be in the United States in compliance with A.R.S. 41-1080, also known as the "Legal Arizona Workers Act."

If applying by mail, applicants must submit the eligibility form with the application. Please indicate, by checking the appropriate box, which of the 12 forms of documentation will be provided to verify legal status under federal law. Return the completed eligibility form along with the application, applicable fees and a copy of the documentation showing your legal status.

If applying in person at the Licensing Office, applicants must show one of the 12 types of documentation listed on the eligibility form with the application and applicable fees. The eligibility form will be completed upon presentation of the documentation.

Per State law, the City of Mesa Licensing Office cannot issue a license unless it first receives a copy of one of the specified forms of identification and a signed eligibility form.

*****NOTE: A Government issued photo ID must be presented with any document that does not contain a photograph of the individual.**



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LICENSING ELIGIBILITY

Before issuing a license to an individual, the individual must present one of the following documents to the municipality indicating that the individual's presence in the United States is authorized under federal law:

Check the box next to the document indicating lawful presence.

*****NOTE: A Government issued photo ID must be presented with any document that does not contain a photograph of the individual.**

<input type="checkbox"/>	An Arizona driver license issued after 1996 or an Arizona non-operating identification license.
<input type="checkbox"/>	A driver license issued by a state that verifies lawful presence in the United States. (See Overview of States' Driver's License Requirements) NOT accepted: HI, NM, UT, WA Note: a WA "Enhanced" Driver License is acceptable
<input type="checkbox"/>	A birth certificate or delayed birth certificate issued in any state, territory or possession of the United States.
<input type="checkbox"/>	A United States certificate of birth abroad.
<input type="checkbox"/>	A United States passport or passport card.
<input type="checkbox"/>	A foreign passport with a United States visa.
<input type="checkbox"/>	An I-94 form with a photograph.
<input type="checkbox"/>	A United States citizenship and immigration services employment authorization document or refugee travel document.
<input type="checkbox"/>	A United States certificate of naturalization.
<input type="checkbox"/>	A United States certificate of citizenship.
<input type="checkbox"/>	A tribal certificate of Indian blood.
<input type="checkbox"/>	A tribal or bureau of Indian affairs affidavit of birth.

This provision does not apply to an individual, if EITHER:

1. BOTH of the following apply:
 - a. The individual is a citizen of a foreign country or, if at the time of application, the individual resides in a foreign country.
 - b. The benefits that are related to the license do not require the individual to be present in the United States in order to receive those benefits.

OR

2. ALL of the following apply:
 - a. The individual is a resident of another state.
 - b. The individual holds an equivalent license in that other state and the equivalent license is of the same type being sought in this state.
 - c. The individual seeks the Arizona license to comply with this state's licensing laws and not to establish residency in this state.

Signature of applicant

Date

Signature of municipal employee

Date

***PLEASE SIGN AND ATTACH COPY OF DOCUMENT**

55 N. Center Street
PO Box 1466
Mesa Arizona 85211-1466
(480) 644-2316 Tel
(480) 644-3999 Fax



MESA CONVENTION CENTER EXHIBITORS TRANSIENT PRIVILEGE TAX INFORMATION

GENERAL INFORMATION

A person cannot lawfully engage in a business that has a taxable activity in the City of Mesa unless a Privilege Tax License has been issued. If a person is going to conduct business at a Mesa Convention Center event they must possess a valid City of Mesa Privilege Tax License. The license must be with the licensee at the event/activity.

If you have participated in events in the City of Mesa previously and you have not filed and/or paid all previous sales tax returns, or fulfilled prior license requirements, you may not be able to participate in this event or any future events. Please call us if this is your situation so that we can work together to establish a suitable arrangement to bring your account current.

CONVENTION CENTER EXHIBITOR LICENSE APPLICATION

Upon payment to the City of Mesa of a five-dollar (\$5) non-refundable license fee, and completion of the Convention Center exhibitors' application, a license will be issued to the applicant. **This license is valid for 30 days and for the Mesa Convention Center Events only.**

RATE (AMOUNT OF TAX)

Tax rate is 1.75% of the gross income.

REPORTING REQUIREMENTS

A license/tax reporting form will be mailed to the applicant upon receipt of the application. After computing the tax due to the City of Mesa, forward the report and taxes due to:

City of Mesa Licensing Office
P. O. Box 1466
Mesa, AZ 85211-1466.

Reports must be filed whether you have taxable activity or not. The tax return must be submitted to the City within 10 days after the expiration of the license.

For any taxable activity within the state there may also be tax owed to the Arizona Department of Revenue. Please contact them regarding their licensing requirements. The Arizona Department of Revenue phone number is (602) 542-4576.

4 ITEMS REQUIRED

1. COMPLETED APPLICATION
2. \$5.00 FEE
3. SIGNED ELIGIBILITY FORM
4. COPY OF IDENTIFICATION

Revenue Collections Operations
 Licensing Office
 55 North Center Street
 Mesa, AZ 85201



Mailing Address
 PO Box 1466
 Mesa Arizona 85211-1466
 (480) 644-2316 Phone
 (480) 644-3999 Fax

APPLICATION FOR MESA CONVENTION CENTER EXHIBITOR LICENSE
 NON-REFUNDABLE \$5.00 DUE AT THE TIME OF APPLICATION

Brenda Gange

Start Date of Activity	This license will be good for 30 days from start date of activity.
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SECTION I. BUSINESS INFORMATION

Business Name (DBA)		
Address 201 N. Center St		
City Mesa	State AZ	Zip 85201
Home/Business Phone Number	E-mail address	
Cell Phone Number		

Office Use Only
License #
SIC Code
Initials

SECTION II. MAILING ADDRESS

Mail To Name		
Mailing Address		
City	State	Zip

SECTION III. BUSINESS OWNERSHIP & RECORD LOCATION

Ownership: Individual LLC Corporation - State _____ Partnership Ltd. Partnership Other _____

Owners, Partners, LLC Members, or Officers (For Additional Names, Please Attach List)	Name			Title
	Home Address			Social Security #
	City	State	ZIP Code	Phone No. ()
	Name			Title
	Home Address			Social Security #
	City	State	ZIP Code	Phone No. ()

Location Where Business Records Are Kept	Name			Phone No. ()
	Address	City	State	ZIP Code

Section IV. Business Activity

Event Name	
Describe Type of Inventory Sold	

I certify that the statements made in this application are true and complete to the best of my knowledge. I accept the license authorized and issued in response to this application with the condition that I report timely and pay any and all taxes due by me to the city.

Print Name	Signature	Title	Date
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