



Job Printing

CITY OF PHOENIX PRIVILEGE LICENSE (Sales) TAX

WHO MUST PAY THE TAX?

You must be licensed and pay tax if you are engaged in the business of job printing. Job printing means copying or reproducing an article by any means, process or method. Job printing includes engraving of printing plates, embossing, copying, micrographics, and photo reproduction.

WHAT IS THE CITY TAX RATE?

The City's tax rate is 2.0%; the combined rate (including State & County taxes) is 8.3%.

WHEN IS TAX DUE?

Your tax return and payment are due on the 20th day of the month following the reporting period.

WHICH CITY IS OWED THE TAX?

The job printing tax liability is based upon the printer's location, NOT the location of the buyer. If your business location is within the corporate limits of the City of Phoenix, you must be licensed.

WHAT IS TAXABLE?

Generally, all sales of printing are taxable, including sales to churches, schools, clubs, nonprofit organizations, and governmental agencies. No deductions are allowed for labor, materials, or subcontracting work. Specifically, revenue received from pre-press activities such as typesetting, stripping, graphic artwork, color separation, and layout as well as post-press activities such as cutting, folding, and binding is not exempt or deductible under job printing.

Machinery or equipment purchased for use directly in the job printing process, including pre-press and post-press activities, is exempt from City Privilege and Use Tax.

DEDUCTIONS THAT CAN BE TAKEN (when included in the gross income on the front of your tax return):

1. State, County and City Tax Collected whether charged separately or included in the sales price
2. Bad Debts on which tax was paid on a previous City return
3. Sales for Resale in the form supplied by the job printer
4. Discounts, Refunds or Returns
5. Sales to "Qualifying Health Care Facilities," including: Hospitals, Nursing Homes & Dialysis Centers (must be non-profit)
6. Out-of-State Sales meeting **all** of the following four criteria:
 - a. The order was received from the customer by mail, solicitation, Internet or phone from outside the State, **and**
 - b. The title to the item passed to the customer outside of the state, **and**
 - c. The order is placed by a non-resident of the State, **and**
 - d. The item is purchased for use outside of the State.

CALCULATING THE TAX

You may choose to charge the tax separately or you may include tax in your price. If you include tax in your price (no separate charge for tax), you may back out the tax in order to compute the amount of tax included in your gross income. The formula is:

TAXABLE SALES divided by 1 + COMBINED TAX RATE of 8.3% (State, County & City tax)

Calculate the tax deduction as follows:

Taxable Sales ÷ Factor (1.083) = Computed Taxable Income

Taxable Sales less Computed Taxable Income equals your deduction for tax collected.

Example: \$3,000.00 ÷ 1.083 = \$2,770.08
 \$3,000.00 - \$2,770.08 = \$ 229.92 (tax collected deduction)

If more tax was collected than was due, the City's portion of excess tax collected must be paid to the City, unless it is refunded to the customer. Please refer to the Privilege (Sales) Tax Instruction Sheet for instructions on how to report excess tax collected or the tax collected deduction.

This material is available in alternate formats upon request. For more information, call (602) 262-6785, press 4, 1, TTY (602) 534-5500 or write to City of Phoenix, TAX DIVISION, 251 W. Washington Street, 9th Floor, Phoenix, Arizona 85003. For more information on our licensing, tax rates, tax return instructions or a copy of the Tax Code, visit our website at www.phoenix.gov/PLT.

This is general information only. For complete details, refer to the City of Phoenix Tax Code.