



City of Phoenix
FINANCE DEPARTMENT
TAX DIVISION

Quick Fact Sheet for Residential Rentals and the City Privilege (Sales) Tax

Properties managed by a property manager

- All properties are taxable
- Multi-unit properties must be separately licensed in the name of the property owner(s), but can show the property manager name and address as the mailing address
 - Only one license is required for multiple single family residential rentals (SFR); e.g., houses
 - An owner with three or more units available for rent, or with one commercial rental unit, in the state must be licensed for SFR, listing the owner address as the business address
 - For owners with fewer than three units available for rent in the state, the license is taken out in the name of the property manager
- All licenses managed by the property manager can be consolidated to a master license for the property manager upon written request

Self-managed properties

- An owner with three or more units available for rent, or with one commercial rental unit, in the state must be licensed for his/her Phoenix rentals
- Multi-unit properties must be separately licensed
- Only one license is required for multiple single family residential rentals (SFR); e.g., houses, listing the owner address as the business address
- Reporting for all licenses can be consolidated to a master license on request

Reporting of income

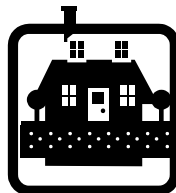
- All amounts paid by the tenant under terms of the lease agreement are gross income to the lessor.
- All amounts paid by the tenant to the lessor or paid on the lessor's behalf are gross income including:
 - property tax (i.e., paid to the lessor or the County)
 - mortgage
 - repairs
 - pet fees
 - non-refundable deposits
 - forfeited deposits
 - recoveries due to court action
- For details on deductions and factoring of tax, see the Residential Rental brochure

Note: The purchaser of rental property may be liable for taxes owed by the previous owner.

Number of residential rentals in the state to be taxable in select cities*

<u>3 or more</u>	<u>2 or more</u>	<u>Any</u>
Gilbert	Carefree	Apache Junction
Goodyear		Avondale
Litchfield Park		Buckeye
Mesa		Cave Creek
Phoenix		Chandler
Queen Creek		El Mirage
Scottsdale		Fountain Hills
Surprise		Glendale
Tolleson		Guadalupe
Youngtown		Paradise Valley
		Peoria
		Prescott
		Prescott Valley

**Please contact any city directly; list compiled as of date below and is not complete for the entire state*



For more details, including a copy of the Phoenix Tax Code, see <http://phoenix.gov/PLT>

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