

ORDINANCE NO. 183

AN ORDINANCE DESIGNATING THE FIRST AMENDMENT TO THE TRANSACTION PRIVILEGE TAX CODE OF THE TOWN OF JEROME, ARIZONA, TO BE A PUBLIC RECORD AND AVAILABLE FOR PUBLIC INSPECTION, ADOPTING SAID FIRST AMENDMENT, AND DECLARING AN EMERGENCY.

BE IT ORDAINED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF JEROME, YAVAPAI COUNTY, ARIZONA, AS FOLLOWS:

Section 1: That document entitled "First Amendment to the Transaction Privilege Tax Code of the Town of Jerome, Arizona," is hereby declared to be a public record, and at least three copies of said First Amendment shall be on file in the office of the Clerk of the Town of Jerome, and available for public use and inspection.

Section 2: That certain document known as the "First Amendment to the Transaction Privilege Tax Code of the Town of Jerome, Arizona," is hereby adopted.

Section 3: Whereas, it is necessary for the preservation of the peace, health and safety of the Town of Jerome, Arizona, that this ordinance become immediately effective, an emergency is hereby declared to exist, and this ordinance shall become effective immediately upon its passage and adoption.

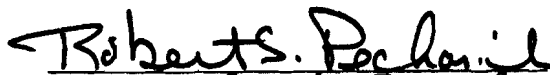
APPROVED this 14th day of August, 1979, by the affirmative vote of three fourths of the members of the Common Council of the Town of Jerome, Arizona.


Mayor

ATTEST:


Town Clerk

APPROVED AS TO FORM:


Attorney for the Town of
Jerome, Arizona

FIRST AMENDMENT TO THE TRANSACTION
PRIVILEGE TAX CODE OF THE TOWN OF JEROME, ARIZONA

Section 1: That Section 8-2-3 of the Code of the Town of Jerome is hereby amended to read:

Section 8-2-3 Imposition of Tax-Tax Schedule

There is hereby levied and shall be collected by the tax collector, for the purpose of raising revenue to be used in defraying the necessary expenses of the town, privilege taxes measured by the amounts or volume of business transacted by persons on account of their business activities, and in the amounts to be determined by the application of rates against values, gross proceeds of sales or gross income, as the case may be, in accordance with the following schedule:

- A. Percentage of Tax and Business Liable to Taxation.
An amount equal to two percent of the gross proceeds of sale or gross income from the business upon every person engaging in or continuing within the town in the following businesses:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF BY REFERENCE.

EXHIBIT "A"

1. Transporting for hire persons or property by any means of transportation, from a point within the town to another point within the town, or from a point within the town to another point within the State of Arizona; provided, that the levy shall not apply to common or contract carriers paying a tax under the provisions of Arizona Revised Statutes, Section 40-641.
2. Mining, quarrying, smelting or producing for sale, profit or commercial use, any oil, natural gas, limestone, sand, gravel, copper, gold, silver or other mineral product, compound or combination of mineral products, or felling, producing or preparing timber or any produce of the forest for sale, profit or commercial use. In computing the tax, the price shall be reduced by the actual freight paid by any person from the place of production to the place of delivery when the freight is included in the sale prices of the products.
3. Producing and furnishing, or furnishing to consumers, electricity, electric lights, current, power or gas, natural or artificial, and water.
4. Transmitting local or long distance messages or conversations by telephone, or messages by telegraph, from a point within the town to another point within the State of Arizona, including gross income derived from tolls, subscriptions and services on behalf of subscribers, or by publication of a directory of the names of subscribers.

5. Operating a pipe line for transporting oil, or natural or artificial gas, through pipes or conduits from a point within the town to another point in the town or in the state.
6. Operating private railroad car lines, as they are defined in Title 42, Chapter 4, Article 3, Arizona Revised Statutes, from one point within the town to another point in the town or state.
7. Publication of newspapers, magazines, or other periodicals and publications, when published within the town, including the gross income derived from subscriptions sold within the town advertising and notices. Subscriptions sold within the town for newspapers, magazines, or other periodicals and publications published without the town shall also be taxable under this section, and advertising sold within the town shall likewise be taxable.
8. Job printing, engraving, embossing and copying, advertising by billboards, direct mail, radio, television or by any means calculated to appeal to prospective purchasers or users.
9. Contracting within the town; but payments paid by the contractor for direct labor costs incurred for such contracting shall not be subject to such tax. Amounts paid by the contractor for subcontracts may be deducted from gross income providing that subcontractors and amounts paid to each are listed and providing that the subcontractors have valid privilege permits in the town. Gross receipts from sale of land by a contractor or developer are subject to taxation under this section if the contractor or developer has constructed physical improvements for such land before the sale is made; provided, that a contractor constructing a building for his own use, or a structure or parking lot to be rented by him, is not taxable for his own activity on such a project, providing he has paid all applicable privilege taxes on materials he purchased for incorporation in the project. Contracting activity by subcontractors for such a project shall be taxable.
10. Restaurants, dining rooms, lunchrooms, lunch stands, soda fountains, bars, taverns or similar establishments where articles of food or drink are sold, and catering or sale of food and drink from mobile units within the town. Articles of food or drink prepared for service or resale by another person may be deducted, providing that the person reselling has a valid privilege permit for such purpose.
11. Selling at retail such property used by human beings for food, drink or condiment, whether simple, mixed or compounded, where such property is not customarily sold for consumption on the premises commonly and generally known as the business of selling groceries at retail.

The sale to hotels, restaurants, lunchrooms, boarding houses or similar establishments of articles used by human beings for food, drink or condiment, whether simple, mixed or compounded, where such articles are customarily prepared and served to patrons for consumption on the premises shall be deemed wholesale sales as to such commodities, providing that the person reselling has a valid privilege permit for such purpose.

12. Selling any tangible personal property whatsoever at retail or to the ultimate consumer, including but not limited to sale of new and used vehicles of any type, and sales made from mobile units when within the town. Gross receipts from painting signs on structures within the town or upon vehicles while within the town shall be taxed as retail sales, without deduction. Sales of tangible personal property within the State of Arizona which result from activities of agents or representatives of a person whose principal office within Arizona is within the Town of Jerome shall be taxable, provided that delivery is made from the town. The following retail sales activities are exempted from taxation:
 - a. Sales of gasoline upon which a tax has been imposed under the provisions of Title 28, Chapter 9, Article 9, Arizona Revised Statutes.
 - b. Sales of tangible personal property to a person licensed as a contractor under Title 32, Chapter 10, Arizona Revised Statutes, who holds a valid privilege tax permit for engaging in or continuing in the business of contracting when the property so sold is incorporated or fabricated by the contractor into any structure, project, development or improvement in fulfillment of a contract therefor.
 - c. Sales of tangible personal property made directly to the United States Government, its departments or agencies, by the manufacturer, modifier, assembler or repairer. A deduction of fifty percent shall be permitted where such sales are made by persons other than those specified in the previous sentence.
 - d. Sales of tangible personal property by persons engaging in or continuing in the business of processing, manufacturing, fabricating, modifying, assembling or repairing, when such sales are made for resale and not at retail and not to an ultimate consumer.

This subsection shall not apply to any sales of tangible personal property which are not the same as or similar to tangible personal property sold through distributors, jobbers, wholesalers, retailers or other persons than those substantially and principally engaging or continuing in the actual manufacturing, processing, fabricating, modifying or assembling thereof.

- e. Sales of tangible personal property to manufacturers, modifiers or assemblers where such property directly enters into and becomes an ingredient or component part of any manufactured, fabricated or processed article, substance or commodity for sale in the regular course of business.
 - f. Services provided in connection with retail sales if invoices to the customer, sales tickets, cash register tapes and all other business records show separate charges for such services. This exemption shall apply only where such service is not customarily included in the retail sale itself and where such service is not an essential element in the retail sale itself. No deduction shall be allowed for fabrication labor of retail items sold.
 - g. Sales of tangible personal property in which all of the following occur without the town limits of the Town of Jerome.
 - (1) The placement of the order; and
 - (2) The stock from which delivery was made; and
 - (3) The transference of title and possession.
- For the purposes of this exemption, any person engaging or continuing in the business to which this exemption is applicable shall maintain and keep accounting records or books indicating separately the gross proceeds of sale or gross income of tangible personal property which occur without the town limits, and if not so maintained the tax to be imposed will be upon the total of such person's gross proceeds of sale or gross income.
- h. The sale of drugs on the prescription of a member of the medical, dental or veterinary profession who is licensed by law to administer such drugs.
 - i. Tangible personal property purchased in Arizona by any hospital organized and operated exclusively for charitable purposes, and in which no part of the net earnings inures to the benefit of any private shareholder or individual, or by any hospital operated by the state or any political subdivision of the state.
 - j. The sale of stocks or bonds.
 - k. Sales of machinery or equipment to be used directly in manufacturing, processing, fabricating, job printing, refining or metallurgical operations, including leaching, milling, precipitating, smelting and refining.

- l. Sales of machinery or equipment to be used directly in the process of extracting ore or minerals from the earth for commercial purposes, including equipment required to prepare the materials for extraction and for the handling, loading or transportation of such extracted material to the surface.
 - m. Sales to telephone or telegraph companies of central office switching equipment, switchboards, private branch exchange equipment, microwave radio and carrier equipment, and coaxial cable.
 - n. Sales of machinery, equipment or transmission lines to be used directly in the production or transmission of electrical power, but not for such machinery, equipment or transmission lines that are to be used for distribution and not for transformers and control equipment to be used at transmission substation sites.
 - o. Sales of pipes or valves four inches in diameter or larger to be used for transporting oil, natural gas, artificial gas, water or coal slurry.
 - p. Sales of aircraft, navigational and communication instruments and other accessories and related equipment to be used in conjunction with or to become part of aircraft to be used in the transportation of persons, property or U.S. Mail in intrastate, interstate or foreign air transportation for hire by airlines holding a federal or state certificate of public convenience and necessity or holding a foreign air carrier permit.
 - q. Sales of railroad rolling stock, rails, ties and signal control equipment to be used directly in the transportation of persons or property in intrastate or interstate transportation for hire.
 - r. Sales of machinery or equipment to be used directly in the drilling for oil or gas or used directly in the process of extracting oil or gas from the earth for commercial purposes.
13. Operating or conducting amusements including but not limited to theaters, movies, operas, exhibitions, concerts, carnivals, circuses, shows of any type or nature, amusement park admissions, amusement rides, menageries, fairs, races, contests, games, golf courses, tennis courts, batting or driving ranges, riding on any animals, juke boxes, pinball machines, billiard and pool parlors, bowling alleys, dance halls, public dances, boxing or wrestling matches, or any other business charging admission

fees for exhibition or amusement. Nonprofit private clubs where basic membership fees cover use of amusement facilities, and amusements conducted by the organizations themselves on an occasional basis to raise funds for projects of bona fide religious organizations, nonprofit educational institutions and nonprofit fraternal or service clubs are exempt.

14. Leasing or renting for a consideration any tangible personal property; sales of tangible personal property to be so leased or rented shall be deemed to be resale sales.

Leasing or renting for a consideration the use or occupancy of real property, including any improvements, rights or interest in such property to the person in actual possession where the rent or lease payment covers a period of more than thirty-one days.

15. Leasing or renting for a consideration the use or occupancy of any hotel, lodging or lodging space to the transient or person in actual possession for any period less than thirty consecutive days, provided, that this subsection shall not apply to a permanent residence and a deduction of fifty percent shall be allowed for room rental paid by the United States Government, its departments and agencies.