



Founded 1876
Incorporated 1899

TOWN OF JEROME, ARIZONA

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**Celebrating Our 100th Anniversary
1899 - 1999**

ORDINANCE NO. 309

AN ORDINANCE OF THE TOWN OF JEROME, ARIZONA, RELATING TO THE PRIVILEGE LICENSE TAX; AMENDING THE TOWN TAX CODE OF THE TOWN OF JEROME TO EXEMPT COMMERCIAL AND RESIDENTIAL RENTALS; PROVIDING AN EFFECTIVE DATE; PROVIDING PENALTIES FOR THE VIOLATION THEREOF AND PROVIDING FOR SEVERABILITY.

WHEREAS, there has been some confusion over whether the Town of Jerome charges a tax on rentals,

WHEREAS, the Town wishes to clarify its position that it does not charge the tax.

Now therefore be it ordained by the Mayor and Council of the Town of Jerome, Arizona:

Section 1. Section 8A-445 of the Town Tax Code of Jerome is amended to read:

Sec. 8A-445. Rental, leasing, and licensing for use of real property.

(a) The tax rate shall be at an amount equal to three percent (3%) of the gross income from the business activity upon every person engaging in the business of leasing or renting real property located within the Town for a consideration to the tenant in actual possession, or the licensing for use of real property to the final licensee located within the Town for a consideration including any improvements, rights, or interest in such property; provided further that:

- (1) Payments made by the lessee to, or on behalf of, the lessor for property taxes, repairs, or improvements are considered to be part of the taxable gross income.**
- (2) Charges for such items as telecommunications, utilities, pet fees, or maintenance are considered to be part of the taxable gross income.**
- (3) However, if the lessor engages in telecommunications activity, as evidenced by installing individual metering**

equipment and by billing each tenant based upon actual usage, such activity is taxable under section 8A-470.

- (b) If individual utility meters have been installed for each tenant and the lessor separately charges each single tenant for the exact billing from the utility company, such charges are exempt.
 - (c) Charges by a qualifying hospital, qualifying community health center or a qualifying health care organization to patients of such facilities for use of rooms or other real property during the course of their treatment by such facilities are exempt.
 - (d) Charges for joint pole usage by a person engaged in the business of providing or furnishing utility or telecommunication services to another person engaged in the business of providing or furnishing utility or telecommunication services are exempt from the tax imposed by this Section.
 - (e) (Reserved)
 - (f) (Reserved)
 - (g) (Reserved)
 - (h) ~~(Reserved)~~ THE TAX PRESCRIBED BY THIS SECTION SHALL NOT INCLUDE GROSS INCOME FROM THE RENTAL, LEASING, OR LICENSING OF LODGING OR LODGING SPACE TO AN INDIVIDUAL WHO RESIDES THEREIN.
 - (i) (Reserved)
 - (j) Exempt from the tax imposed by this Section is gross income derived from the activities taxable under Section 8A-444 of this code.
 - (k) (Reserved)
 - (l) (Reserved)
 - (m) ~~(Reserved)~~ NOTWITHSTANDING THE OTHER PROVISIONS OF THIS SECTION, THE TAX IMPOSED BY THIS SECTION DOES NOT APPLY TO RENTAL, LEASING OR LICENSING FOR USE OF COMMERCIAL PROPERTY.
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(n) Notwithstanding the provisions of Section 8A-200 (b), the fair market value of one (1) apartment, in an apartment complex provided rent free to an employee of the apartment complex is not subject to the tax imposed by this Section. For an apartment complex with more than fifty (50) units, an additional apartment provided rent free to an employee for every additional fifty (50) units is not subject to the tax imposed by this Section.

(o) Income derived from incarcerating or detaining prisoners who are under the jurisdiction of the United States, this State or any other state or a political subdivision of this State or of any other state in a privately operated prison, jail or detention facility is exempt from the tax imposed by this Section

Section 2. Reg. 8A-200.1 of the Town Tax Code of Jerome is amended to read:

Reg. 8A-200.1 when deposits are includable in gross income.

(a) Refundable deposits shall be includable as gross income of the taxpayer for the month in which the deposits are forfeited by the lessee.

~~(b) Nonrefundable deposits for cleaning, keys, pet fees, maintenance, or of any other purpose are deemed gross income upon receipt (RESERVED)~~

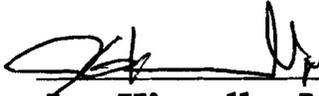
Section 3. The provisions of this ordinance and the amendment to the city tax code in Section 1 of this ordinance become effective on July 1, 2001.

Section 4. Any person found guilty of violating any provision of this amendment to the tax code shall be guilty of a class one misdemeanor. Each day that a violation continues shall be a separate offense punishable as herein above described.

Section 5. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent

jurisdiction, such decision shall not affect the validity of the remaining portion thereof.

PASSED AND ADOPTED by the Mayor and Council of the Town of Jerome, Arizona, this 24 day of April, 2001



Jay Kinsella, Mayor

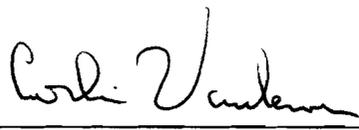
ATTEST:



Al Palmieri, Town Clerk
4/24/01



APPROVED AS TO FORM:



Corbin Vandemoer, P.C., Town Attorney