



City of Peoria • Finance Department • Tax & License Section  
8401 W. Monroe St. Peoria, AZ 85345

## **CITY OF PEORIA PRIVILEGE (SALES) TAX GUIDELINES: RENTAL OF RESIDENTIAL REAL PROPERTY**

### **You Owe Tax on Residential Real Property Rentals If:**

You are leasing or renting one or more residential real property unit(s) located within the City of Peoria. The person or entity leasing or renting to the tenant in actual possession is responsible for the tax.

### **Examples of Taxable Residential Rentals Include:**

- ◆ Houses
- ◆ Apartments
- ◆ Condominiums
- ◆ Townhouses
- ◆ Manufactured Homes
- ◆ Mobile Home (Trailer) Spaces
- ◆ Group Homes
- ◆ Assisted Living Facilities
- ◆ Residential Spaces (e.g. a room to a college student)

▶ Residential rentals for less than 30 consecutive days are considered “transient lodging” and are reported under the Hotel/Motel classification at a 5.6% tax rate.

### **License Requirements**

Owners of residential rental properties are required to obtain and maintain a privilege (sales) tax license. The license must be maintained in the name of the owner, not a property management company. Owners may list multiple residential rental properties located in Peoria under one license as long as the legal owner of each property remains the same.

### **Tax Rate**

The tax rate on residential rentals is 1.8% of gross income.

### **Collection of Tax**

You may choose to charge the tax separately on each sale or include Privilege (Sales) Tax in your price. If you over charge any tax to your customers, you must remit the excess tax to the city. If you include tax in your price, you can use factoring to calculate the tax included in your gross sales. See our brochure on Factored Tax.

### **Contact Information**

City of Peoria

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► **This brochure is meant to be a guideline only.** For complete details, refer to the [City of Peoria Tax Code](#) and related regulations. In all cases, the language of the tax code shall prevail.

*Updated November 2013*