

CHAPTER 12 – SALES TAX CODE

Sec. 12-410. Amusements, exhibitions, and similar activities.

(a) The tax rate shall be at an amount equal to two and eight tenths percent (2 8/10%) of the gross income from the business activity upon every person engaging or continuing in the business of providing amusement that begins in the City or takes place entirely within the City, which includes the following type or nature of businesses:

- (1) operating or conducting theaters, movies, operas, shows of any type or nature, exhibitions, concerts, carnivals, circuses, amusement parks, menageries, fairs, races, contests, games, billiard or pool parlors, bowling alleys, skating rinks, tennis courts, golf courses, video games, pinball machines, public dances, dance halls, sports events, jukeboxes, batting and driving ranges, animal rides, or any other business charging admission for exhibition, amusement, or entertainment.
 - (2) health spas, fitness centers, dance studios, or other persons who charge for the use of premises for sports, athletic, other health-related activities or instruction, whether on a per-event use, or for long-term usage, such as membership fees.
- (b) Deductions or exemptions. The gross proceeds of sales or gross income derived from the following sources is exempt from the tax imposed by this section:
- (1) (Reserved)
 - (2) Amounts retained by the Arizona Exposition and State Fair Board from ride ticket sales at the annual Arizona State Fair.
 - (3) Income received from a hotel business subject to tax under Section 12-444, if all of the following apply:
 - (A) The hotel business receives gross income from a customer for the specific business activity otherwise subject to amusement tax.
 - (B) The consideration received by the hotel business is equal to or greater than the amount to be deducted under this subsection.
 - (C) The hotel business has provided an exemption certificate to the person engaging in business under this section.
 - (4) Income that is specifically included as the gross income of a business activity upon which another section of this article imposes a tax, that is separately stated to the customer and is taxable to the person engaged in that classification not to exceed consideration paid to the person conducting the activity.
 - (5) Income from arranging transportation connected to amusement activity that is separately stated to the customer, not to exceed consideration paid to the transportation business.
- (c) The tax imposed by this Section shall not include arranging an amusement activity as a service to a person's customers if that person is not otherwise engaged in the business of operating or conducting an amusement themselves or through others. This exception does not apply to businesses that operate or conduct amusements pursuant to customer orders and send the billings and receive the payments associated with that activity, including when the amusement is performed by the third party independent contractors. For the purposes of this Paragraph,

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“Arranging” includes billing for or collecting amusement charges from a person’s customer on behalf of the persons providing the amusement.

(Code 1977, § 9A-410)

(Ord. 03-17, 4/15/03, renumbered from Chapter 9A) SUPP 2003-2

(Ord. 05-55, 9/19/05, Resolution # 05-44 approved by voters 09/13/05) SUPP 2006-3

(Ord. 07-07, 3/20/07, Amended (a) Enacted (b) and (c)) SUPP 2007-1