

CHAPTER 12 – SALES TAX CODE

Sec. 12-435. Publishing and periodicals distribution.

- (a) The tax rate shall be at an amount equal to one and eight tenths percent (1 8/10%) of the gross income from the business activity upon every person engaging or continuing in the business activity of:
 - (1) publication of newspapers, magazines, or other periodicals when published within the City, measured by the gross income derived from notices, subscriptions, and local advertising as defined in Section 12-405. In cases where the location of publication is both within and without this State, gross income subject to the tax shall refer only to gross income derived from residents of this State or generated by permanent business locations within this State.
 - (2) distribution or delivery within the City of newspapers, magazines, or other periodicals not published within the City, measured by the gross income derived from subscriptions.

- (b) “Location of Publication” is determined by:
 - (1) location of the editorial offices of the publisher, when the physical printing is not performed by the publisher; or
 - (2) location of either the editorial offices or the printing facilities, if the publisher performs his own physical printing.

- (c) “Subscription income” shall include all circulation revenue of the publisher except amounts retained by or credited to carriers or other vendors as compensation for delivery within the State by such carriers or vendors, and further except sales of published items, directly or through distributors, for the purpose of resale, to retailers subject to the Privilege Tax on such resale.

- (d) “Circulation”, for the purpose of measurement of gross income subject to the tax, shall be considered to occur at the place of delivery of the published items to the subscriber or intended reader irrespective of the location of the physical facilities or personnel of the publisher. However, delivery by the United States mails shall be considered to have occurred at the location of publication.

- (e) Allocation of taxes between cities and towns. In cases where publication or distribution occurs in more than one city or town, the measurement of gross income subject to tax by the City shall include:
 - (1) that portion of the gross income from publication which reflects the ratio of circulation within this City to circulation in all incorporated cities and towns in this State having substantially similar provisions; plus
 - (2) only when publication occurs within the City, that portion of the remaining gross income from publication which reflects the ratio of circulation within this City to the total circulation of all incorporated cities or towns in this State within which cities the taxpayer maintains a location of publication.

CHAPTER 12 – SALES TAX CODE

- (f) The tax imposed by this Section shall not apply to sales of newspapers, magazines or other periodicals to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property sold is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.

(Code 1977, § 9A-435)

(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