

Promoters of Special Events

Pub 550

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To better serve you, the Arizona Department of Revenue offers online assistance and the ability to file and pay transaction privilege tax (Arizona sales tax) and withholding taxes online. To file your taxes online or to register to use the website, go to www.AZTaxes.gov.

This publication is designed to assist promoters of special events in complying with current laws and rules. In case of inconsistency or omission, the Arizona Revised Statutes (A.R.S.) and/or the Arizona Administrative Code (AAC) will prevail over the language in this publication.

Per A.R.S. §42-1105 G., the operator of a swap meet, flea market, fair, carnival, festival, circus or other transient selling event is required to maintain a current list of vendors conducting business on the premises as sellers. The list shall include each vendor's name, business name and address. The department may require an operator, on written notice, to submit a copy of the list to the department at any time. In addition, the operator should inform the department if the sales are conducted through a central cash register.

If you conduct a special event, swap meet, or arts and crafts show, you may need an Arizona Transaction Privilege & Use Tax (TPT) license. Many cities require a business permit to conduct business. Contact the city for information about permits. If you employ personnel other than family members during the special event, you may also need to register for an Arizona withholding tax license.

Q1. May a promoter obtain a TPT license so the individual vendors do not have to obtain a license?

A1. Yes, promoters of special events may obtain a TPT license. All sales must go through the promoter's central cash register and the promoter will be responsible for filing and paying the TPT. For more information, please contact the License Compliance Unit at (602) 716- 6181.

Q2. As a promoter, do you also sell retail items?

A2. If yes, you are subject to TPT under the retail classification. Businesses that sell tangible personal property at retail are subject TPT under the retail classification. The sales of crafts may be taxable even if the seller considers the sales a "hobby". For more details, please refer to A.R.S. §42-5061.

Q3. As a promoter, do you charge an entrance or admission fee to the event? Do you charge an admission fee to any amusement at your event?

A3. If yes, you are subject to TPT under the amusement classification. An entry fee, admission and user fees for activities such as, games, rides, horse rides, or balloon rides are subject to the TPT under the amusement classification. For more details, please refer to A.R.S. §42-5073.

Q4. As a promoter, do you sell food or beverages for consumption on the event premises?

A4. If yes, you are subject to TPT under the restaurant classification. Sales of food and beverages for consumption on the premises are subject to TPT under the restaurant classification. If there is an admission fee to the event, all food sales are taxable. For more details, please refer to A.R.S. §42-5074. Businesses selling alcoholic beverages should contact the Arizona Department of Liquor Licenses and Control at 602-542-5141 for information on obtaining a Liquor License.

Q5. As a promoter, do you charge vendors a fee for spaces at your event?

A5. If yes, you may be subject to TPT under the commercial lease classification. Businesses that lease or rent out commercial property may be subject to TPT. Space rentals at events may be taxable under the commercial lease classification. For more details, please refer to A.R.S. §42-5069.

Q6. As a promoter, do you rent tables, chairs or other tangible personal property which is not included in the fees for spaces at your event?

A6. If yes, you are subject to TPT under the personal property rental classification. Businesses that lease or rent out tables, chairs, public address systems, and other tangible personal property which is not included in the space rental are subject to TPT. The tax base is the gross income derived from the business. Gross income from the rental of tangible personal property includes charges for installation labor, insurance, maintenance, repairs, pick-up, delivery, assembly, set-up, personal property taxes and penalty fees even if these charges are billed as separate items, unless a specific statutory exemption, exclusion, or deduction applies. The tax may be added to the cost of the vendor's rental fee. For more details, please refer to A.R.S. §42-5071.

TPT License

The Arizona Joint Tax Application is used to apply for transaction privilege tax, use tax, withholding, and unemployment insurance. E-Services for Business offers the opportunity to complete the Joint Tax Application online at www.AZTaxes.gov. The paper application is available under "Forms" at www.azdor.gov.

Once the license registration is completed online, and the business is registered on AZTaxes.gov, businesses may file and pay their TPT, use and withholding taxes online.

Transient promoters are licensed using their home base as the business location. Promoters which operate at more than one location must be licensed for each location but can choose to obtain separate license numbers for each location or to report on a consolidated license.

Licenses are not transferable. If you sell your business or change the business organization (for example, from a sole owner to a partnership or corporation), a new license must be obtained.

TPT Reporting

TPT may be shown as an added charge to the sales price using the tax rate tables or factored out of the sales price. The total tax rate is a combined rate of the state, county and city tax rates. When a business "factors" TPT, it means the tax is included in the total price rather than shown as a separate charge. If you choose to factor the tax, the tax must be calculated using a factoring formula. There are many different factoring formulas depending on city taxes, county taxes or differences in allowable city tax deductions. See Arizona Transaction Privilege Tax Procedure TPP 00-1 for information about tax factoring.

TPT is reported on Arizona Form TPT-EZ or TPT-2 by using the appropriate abbreviations for the county and city. These abbreviations are called County Codes for state/county reporting and City Region Codes for city reporting. The business classifications are reported by using the Business Code assigned to each business classification.

For a complete list of county codes, city region codes, business codes and tax rates, refer to the Arizona State, County and City Transaction Privilege and Other Tax Rate Tables.

All taxpayers are required to report transaction privilege taxes monthly unless specifically authorized or required to report less frequently. For information on quarterly and annual filing, contact the department.

Due Date for Reporting

A.R.S. § 42-5014 states that Form TPT-2 or TPT-EZ is due on the 20th day of the month following the month (or other reporting period) in which the tax is collected or accrued.

(This date is used for the computation of penalties or interest that applies to returns and/or payments that are not filed timely.)

A.R.S. § 42-5014 provides that a return is filed timely if it is received by the department on or before the second to last business day of the month. A business day is any day except Saturday, Sunday, or a legal Arizona state holiday.

Taxpayers are subject to penalties and interest for late reporting or late payment of taxes. The mailing address for tax remittance is:

Arizona Department of Revenue
PO Box 29010
Phoenix AZ 85038-9010

Other Licenses

Most businesses will need a TPT license for the city in which they are conducting business. The city TPT license (and fee if applicable) is added to the state TPT license (and fee if applicable). For a list of the cities and their license fees, see the Arizona Joint Tax Application. In addition to the TPT license, many cities require a business permit to conduct business. Contact the city for information about permits.

For Additional Information, call:

Phoenix..... (602) 255-3381
Toll free from area codes 520 & 928 (800) 352-4090

Or Write to:

Arizona Department of Revenue
License Compliance Unit
Division Code 16
1600 W. Monroe
Phoenix, AZ 85007

Browse:

ADOR Website www.azdor.gov
File and Pay Online www.AZTaxes.gov

This publication is available in an alternative format upon request.