

# AMUSEMENTS

Licensing and Tax Information: (623) 333-2001 | [salestax@avondale.org](mailto:salestax@avondale.org)



**YOU OWE TAX ON AMUSEMENTS IF:** | You are operating an amusement business within the city.

*Examples of taxable amusement activities include, but are not limited to:*

- ▶ Exhibitions, movies, operas, theaters, concerts
- ▶ Shows of any type or nature, public dances, dance halls
- ▶ Carnivals, circuses, fairs, amusement parks, animal rides, menageries
- ▶ Bowling, billiards, skating
- ▶ Golf, tennis, batting/driving ranges
- ▶ Coin-operated amusement machines
- ▶ Sporting events, races, contests, games
- ▶ Any business charging admission for exhibition, amusement or entertainment

**TAX RATE ON ADVERTISING** | The City of Avondale tax rate is 2.5% of the taxable income from the business of amusements.

**COLLECTION OF TAX** | You may choose to charge the tax separately on each sale or include sales tax in your price.

If you include privilege (sales) tax in your price, you can use factoring to calculate the privilege (sales) tax included in your gross sales.

For example, if you make a sale for \$100.00, tax included, and the tax is 9.8% (the combined City, State, and County tax rate), your tax calculation is:

Price excluding privilege (sales) tax	=	\$100.00/1.098	=	\$91.07
Avondale City Tax	=	\$91.07 x .025	=	\$2.28
State & County Tax	=	\$91.07 x .073	=	<u>\$6.65</u>
Total City, State & County Tax	=		=	\$8.93

*This publication is for general information only about Transaction Privilege (Sales) Tax on income from contracting activities. This is an informal and nonbinding communication.*

*For complete details, refer to the City of Avondale Privilege & Excise Tax Code and related regulations. In case of inconsistency or omission in this publication, the language of the Tax Code will prevail. The transaction privilege tax is commonly referred to as a sales tax, however, the tax is on the privilege of doing business in Avondale and is not a true sales tax.*

## OTHER SITUATIONS

### COIN-OPERATED AMUSEMENT MACHINES

Gross income from electronic games, pinball, and other coin-operated machines is taxable.

No deduction from gross income is allowed for commissions or equipment rental cost.

The person responsible for paying the tax is the one who has direct control over the funds generated by the machines.

Commissions received for the placement of these machines is taxable as licensing for use of real property.

**PROGRAMS/SOUVENIRS** | Gross income from the sale of programs and souvenirs is taxable as retail sales.

**FEDERALLY EXEMPT ORGANIZATIONS AND PROPRIETARY CLUBS** | Amusement activities directly conducted by these organizations are generally exempt from tax.

Amusement activities, which are conducted on behalf of these organizations by outside franchisees and concessionaires, are not exempt from privilege (sales) tax.

**PRIVATE CLUBS** | Fees for recreational facilities open to the public, such as golf courses, swimming pools, and tennis courts, are taxable.

**BALLOON RIDES, BUS/JEEP TOURS, RAFTING, HAY RIDES** | These activities are taxable if the origination point is in the City of Avondale.

## LICENSING OFFICE:

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