



LAKE HAVASU CITY

Phone (928) 855-2116 ■ Fax (928) 855-0551

SPECIAL EVENTS

License & Taxes

Who Must Have A City Business License?

Every person engaging in business within the city shall apply for a business license accompanied by a fee.

This includes promoters and vendors. Vendors, even if you are only handing out information regarding your business and not actually selling anything – you are soliciting business and you do need a license.

If you are a non-profit you do need a license. The fee is waived with a copy of your 501(c)3.

Lake Havasu City Business License

Special Event temporary business license are available for \$10.00 per day. If you will be attending multiple Special Events you can obtain a standard business license for \$100.00 which is good for the entire calendar year.

The holder of a business license shall at all times display the license in a conspicuous place at the regular place of business within the city. In cases where there is no fixed location, the licensee shall possess the business license whenever conducting business.

Arizona State TPT License

Establishing a Transaction Privilege Tax (TPT) License with the Arizona Department of Revenue (ADOR):

To establish a new TPT License with ADOR, you may visit www.azdor.gov to apply online. The fee for this license is \$12.00 for the State of Arizona and \$5.00 for Lake Havasu City. If you do business in other Arizona cities as well, contact ADOR for fees for those cities.

Arizona law requires that your TPT license be displayed wherever you do business. Posting the license at all times avoids delays while conducting business when department representatives make compliance checks to verify licensing.

Transaction Privilege Tax

Arizona imposes a transaction privilege tax (TPT). The tax is levied on the seller, rather than the purchaser. The seller may pass the burden of the tax on to the purchaser, but the seller is ultimately liable to Arizona for the tax.

You will need to provide your Arizona TPT number to Lake Havasu City.

Restaurant

Sales of food or beverages for consumption on or off the premises are subject to TPT.

Food sold by a retailer at a special event where an admission fee is charged does not qualify for the deduction as “food for home consumption”.

Tax Rate

Restaurant (Food and Beverage)

State and County	5.85%
Lake Havasu City	2.00%
LHC Additional 1%	<u>1.00%</u>
Total	8.85%

Retail

If you sell tangible personal property, including crafts (even if you consider it a hobby), you must be licensed and are responsible for TPT. The tax base for retail is the gross proceeds of sales or gross income derived from the business.

The sale of art at special events such as paintings, drawings, etchings, sculptures, craftwork or other artwork or reproductions of such items is subject to tax.

Amusement

Businesses operating or conducting amusement activities are subject to TPT. Such activities include: contests, games, sports events or any other business which charges admission or user fees for exhibition, amusement or entertainment. Any charges or fees for activities such as games, rides, horse rides, balloon rides and any admission fees are subject to TPT.

Personal Property Rental

TPT is imposed on persons, such as special event promoters, renting or leasing tangible personal property. The tax may be added to the cost of the vendor’s rental fee.

Tax Rate

Retail Sales, Amusement, Personal Property Rental

State and County	5.85%
Lake Havasu City	<u>2.00%</u>
Total	7.85%

This handout is for informational purposes only. Its intent is to condense and simplify the language in the Lake Havasu City Tax Code. In the event of any omissions or inconsistencies, the Lake Havasu City Tax Code will prevail over the language in this publication. Contact your tax advisor concerning your specific situation.