



DEVELOPMENT SERVICES

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RETAIL PRIVILEGE TAX INFORMATION

Dear Business Owner/Operator:

The Town of Chino Valley levies a 3.0% privilege/sales tax on the gross receipts earned by retailers conducting business within the Town. The Arizona Department of Revenue is the administrator of the Chino Valley Tax Code and is responsible for issuing tax licenses and for the collection of the tax.

To conduct business within the Town of Chino Valley, you must have a privilege tax license for Chino Valley from the Arizona Department of Revenue. This can be obtained by completing the attached form and returning it the Department of Revenue with the license fee of \$2.00. This will result in the printing of "Chino Valley" on your Arizona privilege tax return. Report your retail sales for the Town of on the line designated as "CV 000" with a 3.0% tax rate. The 6.35% state/county tax is reported on the line for "Yavapai County" retail receipts. The combined retail tax rate for all jurisdictions is 9.35%.

The Town of Chino Valley has a 3.0% tax rate for retail sales of food intended for home consumption. The state/county tax rate for these sales is 0.0%. The definition for "food for home consumption" includes grocery items, etc. and additional information regarding these specific items is available at your request. Report your gross business receipts for the retail sale of items qualifying as "food for home consumption" on the "Chino Valley" line designated as "CV 000" at 3.0% tax rate.

The Town of Chino Valley taxes the sale of art, including original artwork that is commissioned. The Town also taxes the sale of retail items to non-residents who purchase the items in the Town, regardless of whether or not it is shipped to an out of state location. Note that the Chino Valley tax is collected on the above described

sales activities, whereas the state of Arizona tax may not, depending on the sales transaction.

Exemptions from the Town retail tax include sales for resale, and sales to a qualifying hospital or community health center/care organization. The sale of retail items to churches, and other non-profit organizations are subject to Town tax.

The record keeping requirements for conducting business in the Town of Chino Valley must include, at a minimum, the following detailed records:

- a) The gross income from business activities conducted within the Town.
- b) The gross income taxable under the Town tax code, and divided into separate types of business activities, e.g., restaurant/bar sales, retail sales, etc.
- c) The gross income that is claimed to be exempt, where each exempt transaction must include documentation as to the name and address of the customer, their Arizona tax license/resale number, and a signed statement that the purchase is intended for an exempt purpose, such as sale for resale.

In all transactions, the books and records of your business must include individual transaction details and totals for each reporting period and separately detailed by category of taxable income and exempt income.

Please review the attached copy of the applicable Town tax code provision regarding these issues. Also, enclosed are copies of the forms needed to update your Arizona Privilege tax license to include the Town of Chino Valley.

Please contact our tax auditor, Don Zelechowski, at 480-367-8421 to discuss any questions you may have on the Chino Valley retail privilege/sales tax.