



OVERVIEW OF TRANSACTION PRIVILEGE TAXES IN LAKE HAVASU CITY

TITLE 3: REVENUE AND FINANCE - Privilege and Excise Taxes

Business Class Code* (State)	Business Class Code* (City)	City Code Section	Taxable Activities	Example / Description	State & County Tax Rate	LHC City Tax Rate	Combined Rate
MOH 017	LH 000	3.04-460	Retail Sales	Businesses selling tangible personal property at retail. (This includes "art creations" such as jewelry, macrame, glasswork, pottery, woodwork, metalwork, furniture and clothing when such creations have a dual purpose. Exemptions include "fine art," provided that the works are sold by the original artist).	6.85%	2.00%	8.85%
MOH 011	LH 000	3.04-455	Restaurants & Bars	Businesses preparing or serving food or beverage in a bar, restaurant or similar establishment, including catering. Cover charges must be included in the gross income of this business activity and are taxable. <i>Note: The combined total tax rate for Restaurants &amp; Bars is 9.85%.</i>	6.85%	2.00%	8.85%
N/A	LH 003	3.04-455	Restaurant & Bar Additional 1% Tax	In Lake Havasu City, there is an additional tax of 1% that must be reported to ADOR on a separate line (under LH 003) for business activity described on the line above and in Section 3.04-455. <i>Note: The combined total tax rate for Restaurants &amp; Bars is 9.85%.</i>	0.00%	1.00%	1.00%
MOH 025	LH 000	3.04-444	Hotels / Transient Lodging	Businesses charging fees for lodging and or providing lodging space to any transient ("Transient" means any person who obtains lodging space or the use of lodging space on a daily or weekly basis, or on any other basis for less than thirty (30) consecutive days). <i>Note: The combined total tax rate for Transient Occupancy (Bed) Tax is 11.78%.</i>	6.78%	2.00%	8.78%
N/A	LH 001	3.04-447	Hotel / Motel Additional 3% Tax	Businesses charging fees for lodging and or providing lodging space to any transient ("Transient" means any person who obtains lodging space or the use of lodging space on a daily or weekly basis, or on any other basis for less than thirty (30) consecutive days). This tax is reported to the Arizona Department of Revenue on state form TPT-1. <i>Note: The combined total tax rate for Transient Occupancy (Bed) Tax is 11.78%.</i>	0.00%	3.00%	3.00%
MOH 015	LH 000	3.04-415	Construction Contracting (Prime)	Businesses engaging in the activity of construction contracting (see city ordinance for details on allowable deductions).	6.85%	2.00%	8.85%
MOH 037	LH 000	3.04-416	Construction Contracting (Owner-Builder)	Businesses engaging in the activity of construction contracting as a speculative builder (see city ordinance for details on allowable deductions).	6.85%	2.00%	8.85%
MOH 012	LH 000	3.04-410	Amusement	Businesses providing amusement that begins in the city or takes place entirely in the city; which includes (but is not limited to) conducting theaters, movies or shows of any type or nature, exhibitions, concerts, carnivals, circuses, fairs, races, billiard or pool parlors, video games, public dances, sports events, jukeboxes, animal rides, or any other business charging admission for exhibition, amusement or entertainment.	6.85%	2.00%	8.85%
MOH 014	LH 000	3.04-450	Personal Property Rental	Businesses engaging in the activity of renting or leasing tangible personal property (examples include but are not limited to: bicycle, kayak or scooter rental, construction equipment and party supply rentals).	6.85%	2.00%	8.85%
MOH 029	LH 002	3.06-610	Use Tax (On Purchases)	If you purchase equipment or items from an out of state vendor to be utilized or consumed by your business and are not charged sales tax, your businesses owes Use Tax.	6.60%	2.00%	8.60%
MOH 030	LH 002	3.06-610	Use Tax (From Inventory)	If your business purchases items that are non-taxable because you are purchasing them to re-sell; but you ultimately use or consume them in the ordinary course of business, then your business owes Use Tax to the state and city.	6.60%	2.00%	8.60%
MOH 005	LH 000	3.04-470	Communications	Businesses engaging in providing telecommunication services to consumers within the City; (see referenced section for detailed list of taxable services).	6.85%	2.00%	8.85%
MOH 006	LH 000	3.04-475	Transporting	Businesses engaging in providing transportation for hire from this City to another point within the State (see referenced section for detailed taxable transportation activities).	6.85%	2.00%	8.85%
MOH 009	LH 000	3.04-435	Publication	Businesses engaging in the publication of newspapers, magazines or other periodicals when published within the City.	6.85%	2.00%	8.85%
MOH 010	LH 000	3.04-425	Job Printing	Businesses engaging in printing activities, which includes the engraving of printing plates, embossing, copying, micrographics and photo reproduction.	6.85%	2.00%	8.85%
MOH 004	LH 000	3.04-480	Utility Services	Businesses producing, providing or furnishing electricity, power or gas (natural or artificial).	6.85%	2.00%	8.85%
MOH 049	LH 007	3.04-422	Jet Fuel	Businesses selling jet fuel are subject to a "per gallon" rate as opposed to a tax percentage rate.	3.020	0.030	3.050
N/A	N/A	N/A	Commercial Lease	Lake Havasu City currently imposes no Transaction Privilege Tax in this category.	0.00%	0.00%	0.00%

(Please refer to the City Code for detailed information on tax exemptions that may apply to your business category)

\* These Codes are used in Section II of the ADOR TPT Return, Form TPT-1

Note: This publication is for informational purposes only and does NOT fully explain all categories. To review the City Code in full detail, go to [www.lhcaz.gov](http://www.lhcaz.gov) and click on "City Code" under the Government Information heading. Please email the tax department at [Finance@lhcaz.gov](mailto:Finance@lhcaz.gov), or call (928) 855-2116, Ext. 4124 for more detail on your specific business questions. In the event of omissions or inconsistencies, the Lake Havasu City Code will prevail over any language in this information sheet.