

Tax Rate

The sales tax rate on amusements is 7.85% of the gross income of the amusement business activity, as follows:

State of Arizona	5.60%
Lake Havasu City	2.00%
Mohave County	.25%

Procedure for Sales Tax Payment

You must apply for a sales tax license. For information or a license application, contact:

Lake Havasu City (928) 453-4153
 Arizona Dept. of Revenue (800) 352-4090

Lake Havasu City participates in the State Collection System; therefore, you must report and pay sales tax on the state sales tax return (Form TPT-1) under Tax Code LH00.

Factored Sales Tax

You may choose to include sales tax in the amusement price, rather than show the tax separately. If so, use the following method to "back into" the tax. If you charge \$100.00 for an amusement, including tax, and the tax rate is 7.85%, the tax calculation is \$7.28, as follows:

Sale Price Including Tax 1 + Tax Rate	=	Sale Price Excluding Tax
\$100.00 1.0785	=	\$92.72
\$100.00 - \$92.72	=	\$7.28 Sales Tax



For More Information

Finance Department
 Lake Havasu City
 2330 McCulloch Blvd. N.
 Lake Havasu City, AZ 86403-5950

Contact Numbers
 (928) 453-4153 Telephone
 (928) 855-0551 Fax
 (866) 248-4150 Toll Free
 (928) 855-3945 TDD

Web Site
www.lhcaz.gov

Email
rookek@lhcaz.gov

This brochure 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.

FIN-60, 11/13/06

Lake Havasu City



Amusement Taxes Transaction Privilege (Sales) Tax

Who Must Pay?

If you are in the business of charging admission for exhibition, amusement, or entertainment, you owe sales tax. You owe the tax whether or not the tax was added to the sales ticket price.

Reference:

*Lake Havasu City Tax Code
Section 3.04-410 Amusements*

Prepared by:

Lake Havasu City
 2330 McCulloch Blvd. N.
 Lake Havasu City, AZ 86403-5950

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Examples of Taxable Activities

Income derived from the following business activities is subject to the amusement sales tax.

- √ Theaters, movies, operas
- √ Shows of any type or nature
- √ Exhibitions, concerts
- √ Carnivals, circuses
- √ Amusement parks
- √ Animal rides, fairs
- √ Races (e.g., horse, dog, car, boat)
- √ Contests, games
- √ Batting and driving ranges
- √ Billiard or pool parlors*
- √ Bowling alleys, skating rinks
- √ Tennis courts, golf courses
- √ Video games*
- √ Pinball machines*
- √ Public dances, dance halls
- √ Sports events
- √ Jukeboxes*
- √ Or any other business activity charging admission for exhibition, amusement, or entertainment**

Exemptions

Income derived from games and amusements operated by non-profit, religious, or educational institutions is not taxable if the proceeds are used for charitable or educational purposes.***

Notes

**Gross income from coin-operated and other machines such as video games, jukeboxes, pinball machines, and billiard tables is taxable under the amusement classification. No deduction is allowed for commissions paid for the equipment or the purchase or rental cost of the equipment. The person responsible for paying the tax under the amusements classification is the one who owns the machine. The sale/purchase of an amusement machine is a retail sale subject to sales or use tax. Commissions paid are taxable to the person receiving them under licensing for use of real property.*

***Income from sales of programs, souvenirs, and related items are taxable as retail sales and not under the amusement classification.*

**** Games and amusements operated by for-profit organizations are taxable even if participated in by non-profit religious or educational groups. For example, income from a carnival chartered by a church would be taxable if the carnival operator is other than a non-profit organization.*

For More Information

Arizona Department of Revenue

Taxpayer Information & Assistance
1600 West Monroe
Phoenix, AZ 85007

Contact Numbers

(602) 542-3572 Telephone
(800) 352-4090 Toll Free
(800) 397-0256 TDD

Web Site

www.revenue.state.az.us