

Sales Tax Rate

The transaction privilege (sales) tax rate is 7.85% of the gross income of the business activity, as follows:

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

Procedure for Sales Tax Payment

For information or a license application, contact:

Lake Havasu City	(928) 453-4153
AZ Dept of Revenue	(800) 634-6494*
* In AZ Only	

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 price of an item, rather than show the tax separately. If so, use the following method to "back into" the tax. If you sell an item for \$100.00, including tax, and the tax rate is 7.85%, the tax calculation is \$7.28, as follows:

$$\frac{\text{Sale Price Including Tax}}{1 + \text{Tax Rate}} = \text{Sale Price Excluding Tax}$$

$$\frac{\$100.00}{1.0785} = \$92.72$$

$$\$100.00 - \$92.72 = \$7.28 \text{ Sales Tax}$$

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

Lake Havasu City

Tax and License

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

Website: lhcaz.gov

Email: yarnoc@lhcaz.gov

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



**Home of the
London Bridge**

Starting a New Business Tax & License Requirements

Welcome to Lake Havasu City!

This brochure provides brief overview of the tax and license requirements of Lake Havasu City and the state of Arizona. A list of the most frequently contacted agencies is included.

Reference:

Lake Havasu City Code Titles 3 and 5

**Prepared by:
Lake Havasu City
2330 McCulloch Blvd. N.
Lake Havasu City, AZ 86403-5950**

www.lhcaz.gov

City Business License

If you desire to engage or continue in business within the City, you must apply for a business license*. A separate license is required for each business name or location from which business will be conducted. The nonrefundable fee is \$100 with a new application and for each annual renewal thereof. The license is non-transferable, valid for one year, and renewable annually.

Persons conducting business out of their homes are required to complete a Supplemental License Application. For more information, contact the Community Development Department at (928) 855-2116.

Penalties will be imposed for businesses not complying with the City's license requirements.

The business license fee will be waived (upon presentation of certain documents) for (1) non-profit entities with tax exempt status under Internal Revenue Code 501(c)(3) (tax exempt certificate) and (2) insurance companies and their agents licensed by the Arizona Department of Insurance (state insurance license).

Temporary Special Events License

The nonrefundable fee for the temporary special event business license is \$10 per day up to four days.

Application & License: Peddlers, Solicitors, & Transient Merchants

The nonrefundable application fee for the applicant is \$15 plus \$50 for each additional helper. A nonre-

fundable business license fee is required (see above) as well as fingerprint cards (through the Lake Havasu City Police Department).

Transaction Privilege (Sales) Tax License

If you desire to engage or continue in a business activity within the City that is subject to the transaction privilege tax, you must apply for a sales tax license. The nonrefundable one-time fee is \$17 (state and city). The license is non-transferable and is valid until cancelled, surrendered, revoked, or business cessation.

Penalties will be imposed for businesses not complying with the City's license requirements.

The transaction privilege tax is imposed on the seller for doing business in the state, although the tax is usually passed on to the customer. The business owes the tax whether or not it was added to the price of the items sold.

Various business activities are subject to the transaction privilege tax and must be licensed, including the following:

- ◆ Amusements*
- ◆ Contracting*
- ◆ Hotel/Motel
- ◆ Mining
- ◆ Printing, Publishing
- ◆ Rental of Personal Property*
- ◆ Restaurants & Bars*
- ◆ Retail Sales*
- ◆ Telecommunications
- ◆ Transportation
- ◆ Utilities

**For more information, see additional brochures.*

Most Frequently Contacted Agencies

AZ Corporation Commission
1200 W. Washington, Phoenix, AZ
85007
(602) 542-3076
www.cc.state.az.us

AZ Department of Commerce
1700 W. Washington, Ste. 600
Phoenix, AZ 85007
(602) 771-1100
www.azcommerce.com

AZ Department of Insurance
2910 N. 44th St., Ste. 210
Phoenix, AZ 85018-7256
(602) 364-3100
www.id.state.az.us

AZ Department of Liquor Licenses
800 W. Washington, 5th Floor
Phoenix, AZ 85007
(602) 542-5141
www.azll.com

AZ Department of Revenue
1600 W. Monroe, Phoenix, AZ 85007
(602) 716-6090
www.revenue.state.az.us

AZ Registrar of Contractors
800 W. Washington, 6th Floor
Phoenix, AZ 85007-2940
(602) 542-1525
www.rc.state.az.us

AZ Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007-2888
(602) 542-4285
www.azsos.gov