

Starting a New Business

Tax & License Requirements



Tax & License Division

Welcome to the City of Glendale. We wish you success in your new venture and hope this brochure will assist you in understanding some of the license and registration requirements of the City of Glendale and the State of Arizona. Before starting your new business we encourage you to read this brochure and contact us if you have any questions concerning city requirements.

This brochure is for general information purposes only. You should contact your tax advisor as to your specific situation. In case of any inconsistencies or omissions, the City Code shall prevail over the language in this publication.

Glendale Transaction Privilege (Sales) Tax

Anyone who wishes to conduct a business taxable under the Glendale Transaction Privilege Tax Code (Sales Tax Code) *must* apply for a Privilege (Sales) Tax License. A separate license is needed for each location where business will be conducted.

The taxable business activities are broken down into various classifications. Classes of activities subject to the tax include:

- Advertising
- Amusements
- Contracting
- Hotel/Motel
- Jet fuel
- Mining
- Mfgd. Buildings
- Printing
- Publishing
- Rental of Personal Property
- Rental of Real Property
- Restaurants & Bars
- Retail Sales
- Telecommunications
- Transportation
- Utilities

***NOTE:** Although the sales tax is usually passed on to the consumer, it is actually a tax on you, the vendor, doing business in the city of Glendale.*

For current tax rates, please contact the Glendale Tax & License Division at (623) 930-3190 or visit www.glendaleaz.com/taxandlicense/.

Privilege (Sales) Tax License

Fees: New License - \$50 (prorated by quarter) - Renewal of License - \$50/year

As with all licenses and registrations administered by the city, the privilege (sales) tax license is non-transferable when business ownership or location changes. The license must be on display to the public in the licensee's place of

business.

Once licensed, businesses must file monthly sales tax returns with the City of Glendale. The due date for the sales tax return is the 20th of the month following the month in which the tax is due. (Example: Taxes collected in October, XXXX would be due by Nov. 20, XXXX). Returns must be received by the city on or before the last business day of the month when due; otherwise, the return is considered delinquent. Delinquent penalties are 5% per month for late filing, 10% for late payment; up to a maximum of 25% of the total amount due, plus interest. By law, interest may not be waived.

Note: There is a \$25 fee for checks returned by your financial institution for insufficient funds or other reasons.

Use Tax

Fees: New License - \$50 (prorated by quarter)

Businesses (or individuals) making out-of-state purchases for their own use - not for resale - on which no sales tax is paid are required to pay a use tax.

Businesses planning to use, store or consume goods brought into the State of Arizona/City of Glendale on a regular basis must obtain a privilege (sales) tax license to report the use taxable purchases.

Due dates for reporting use tax, penalties and interest are the same as listed above. For current use tax rates, please call the Glendale Tax & License Division at (623) 930-3190 or visit www.glendaleaz.com/taxandlicense/.

Business, Occupational or Professional License

Fees: New License - \$50 (pro-rated by quarter) - License Renewal - \$50/year

All persons engaging in businesses, occupations or professions within the city limits who are not required to obtain a privilege (sales) tax license or a regulatory license under applicable City Code provisions are required to obtain a Business, Occupational or Professional License (BOP). A separate license is needed for each location where business will be conducted.

Non-profit entities with tax-exempt status under the Internal Revenue Code Section 501(c)(3) are required to complete and file a BOP application. A copy of their tax-exempt certification must be supplied. Non-profit entities are not charged the license fee.

Insurance companies and their agents, who are licensed with the Arizona Department of Insurance, are exempt from the BOP ordinance.

If you are an employee of or an independent contractor for another person or entity which holds a city license, you are not required to obtain a BOP License.

The BOP License is valid for a 12-month period, from January 1 of the year in which it is issued and continuing through December 31 of the same year.

The BOP license shall become invalid unless renewed by January 31 of the following year. Any person who fails to renew the license on or before the above date shall be deemed to be operating without a license and will be subject to a penalty of 50% of the fee.

If a person who is required to obtain a BOP License fails to do so before conducting any business, occupational or professional activity, he/she shall be subject to a penalty of 50% in addition to the annual license fee that would have been imposed on the date on which the activity commenced.

The BOP License is non-transferable between owners or locations, and shall be on display to the public in the licensee's place of business.

For additional information or for a copy of the Glendale City Code, call: (623) 930-3190 or visit www.glendaleaz.com/taxandlicense/.

Arizona Withholding Tax

All wages, salaries, bonuses or other compensation paid for services performed in Arizona are subject to state

income tax withholding, unless specifically exempted, e.g., wages paid to seasonal agricultural workers. Before hiring employees in Arizona, the employer must obtain a withholding registration certificate from the Department of Revenue. For current rates and any other information concerning state withholding, please contact the Arizona Department of Revenue.

Arizona Department of Revenue
License and Registration Section
1600 W. Monroe
Phoenix, AZ, 85007

Bingo Tax License

All qualified organizations operating a bingo game, must be licensed by the state of Arizona. Refer to the Arizona Revised Statutes and the Arizona Administrative Code for additional information.

Arizona Department of Revenue
Bingo Section
1600 West Monroe
Phoenix, Arizona 85007

State Income Tax

A sole proprietorship must pay Arizona income tax on the Arizona net earnings (income after expenses). Each member of a partnership must pay Arizona income tax on their share of the partnership's net earnings. Corporations must pay corporate income tax on net earnings after adjustments.

Taxpayer Information Services
Arizona Department of Revenue
1600 W. Monroe
Phoenix, AZ, 85007

Other Requirements

Liquor License

Establishments selling alcoholic beverages must obtain a State Liquor License.

Arizona Liquor License and
Control Department
800 W. Washington St., 5th Floor
Phoenix, AZ, 85007

Contractor License

Contractors doing business in Arizona may be required to be licensed and meet certain bonding requirements.

Licensing and Bonds
Registrar of Contractor
800 W. Washington St., 6th Floor
Phoenix, AZ, 85007

Personal Property Tax

A list of personal property (other than motor vehicles) that will be used in your business must be furnished to your local County Assessor's Office.

Check your local telephone directory for listings.

Worker's Compensation

You may be required to provide insurance coverage to protect your workers in case of industrial injury.

Industrial Commission of Arizona
800 W. Washington St.
Phoenix, AZ, 85007

Unemployment Insurance

You may be required to pay state unemployment insurance taxes and submit quarterly returns for workers.

Arizona Department of Economic
Security Unemployment Insurance
2801 N. 33rd Ave.
Phoenix, AZ, 85005

Other offices are located throughout the state. Please check your local telephone directory.

Weights & Measures

All weighing or measuring devices that are used commercially must be licensed and certified. "Weights and measures" includes all instruments and devices used for weighing, measuring, metering or counting and any associated appliances or accessories used to weigh, measure, meter or count.

Arizona Department of
Weight & Measures
1951 W. North Lane
Phoenix, AZ, 85021

Corporations

All profit and non-profit corporations must register with the Arizona Corporation Commission.

Incorporation Division
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ, 85007

Additional Information

For a copy of the "Guide to State Licensing" or the "New Business Guide," write to:

License and Registration
Arizona Department of Revenue
P.O. Box 29069
Phoenix, AZ, 85038

To register your business name, contact:

Secretary of State
Publications, Room 706
State Capitol, West Wing
Phoenix, AZ, 85007

For a copy of the Glendale City Code or additional inquiries:

Call (623) 930-3190 or visit www.glendaleaz.com/taxandlicense/.