

**LAKE HAVASU CITY TAX RATE:** | The tax rate shall be at an amount equal to two percent (2%) of the gross income from the business activity upon every person engaging or continuing in the business of selling tangible personal property at retail.

The burden of proving that a sale of tangible personal property is not a taxable retail sale shall be upon the person who made the sale.

**WHAT IS TAXABLE:** | Generally, all sales of tangible personal property are taxable, including:

- Sales to churches, schools, clubs, nonprofit organizations, and governmental agencies.
- Sales to service businesses.
- Sales to winter visitors, even though the item may later be removed from the state.
- Sales of supplies to doctors, dentists, and veterinarians.
- Sales of consigned or auctioned goods.
- Sales of non-custom computer software.
- Sales of furnishings and appliances to consumers, apartment complexes and businesses.
- Sales of model home furnishings to builders.
- Sales of tools and equipment to contractors.
- Sales of artwork.
- Sales of sand, rock, and gravel extracted from the ground.

**TRADE-INS:** | If you take a trade-in for partial payment on an item, you owe sales tax on the difference between the original selling price and the trade-in amount. The trade-in allowance may not exceed the full sales price.

**RETAIL SALES - FOOD FOR HOME CONSUMPTION:** The tax rate shall be at an amount equal to zero percent (0%) of the gross income from the business activity upon every person engaging or continuing in the business of selling food for home consumption at retail (see tax code for full definition).

**RETAIL SALES EXEMPTIONS:** | The following are some examples of income that is exempt from the tax imposed by this section.

- Sales of tangible personal property to a person regularly engaged in the business of selling such property.
- Charges for delivery, installation, or other direct customer services as prescribed by Regulation.
- Charges for repair services as prescribed by Regulation, when separately charged and separately maintained in the books and records of the taxpayer.
- Sales of warranty, maintenance, and service contracts, when separately charged and separately maintained in the books and records of the taxpayer.
- Sales of prosthetics.
- Sales of income-producing capital equipment.
- Sales of rental equipment and rental supplies.

**When filing your Arizona State Transaction Privilege Tax (TPT) you will use the following descriptions and codes:**

State/County – MOH

Lake Havasu City – LH

Business Description	Region Code	Business Class	Percentage %
Retail Sales	MOH	017	5.85%
Retail Sales	LH	017	2.00%
<b>Total</b>			<b>7.85%</b>

*This publication is for general information only about Transaction Privilege Tax (TPT) on income from "Retail Sales" activities. This is an informal and nonbinding communication.*

*For complete details, refer to Lake Havasu City Code for Privilege and Excise Taxes. In case of inconsistency or omission in this publication, the language of the Tax Code will prevail. The transaction privilege tax is commonly referred to as a sales tax; however, the tax is on the privilege of doing business in Lake Havasu City and is not a true sales tax.*

Lake Havasu City Code in its entirety can be found at:

[http://www.amlegal.com/codes/client/lake-havasu-city\\_az/](http://www.amlegal.com/codes/client/lake-havasu-city_az/)