SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY
10005 E. OSBORN RD / SCOTTSDALE, AZ 85256
OFFICE OF THE TREASURER
PHONE NO. (480) 362-7678 FAX NO. (480) 362-7592

INSTRUCTIONS FOR COMPLETING THE TRANSACTION PRIVILEGE (SALES) TAX RETURN

General Information

Both a Business and Privilege Tax License are required to conduct business activities within the boundaries of the Salt River Pima-Maricopa Indian Community. The licenses can now be renewed at https://businesslicense.srpmic-nsn.gov/LicenseTax.

Please provide written notification to the Community Development Department/Economic Development Division of any changes to the company information. Examples include a change in address, closing of business activities (give effective date), sale of business to another entity (give effective date and name & address of new owner), etc.

Please mail all tax payments to the address listed on the tax return.

OFFICE OF TAX ADMINISTRATOR
S.R.P.M.I.C
PO Box 842342
Los Angeles, CA 90084-2342

All **Correspondence** (i.e. address changes, changing frequency for return filing, and change of ownership) should be mailed to the following address:

OFFICE OF THE TREASURER
Attn: Tax Department
10005 E. Osborn Rd.
Scottsdale, AZ 85256

Transactions Privilege Tax (TPT)

Gross Income – Enter the **Total Gross Income** received by the business during the reporting period which will include all income received (i.e., Taxes Collected) on Lines 1 to 12 of the monthly Tax Return, depending upon the taxable activity being conducted. All deductions from Gross Income, must be listed on Schedule A.

Total Deductions – Transfer the totals of all Deductions claimed as calculated on Schedule A into Lines 1 to 12 based upon taxable activity. This can include all "Taxes collected" for the State, County, and Community.

A detailed record must be kept of all deductions and exemptions claimed. Failure to maintain proper documentation and records, required by the Salt River Pima-Maricopa Indian Community Tax Ordinance, may result in the disallowance of these deductions and exemptions during an audit of the business.

Taxable Income – Compute Taxable Income by subtracting the Total Deductions from Gross Income.

Tax – Compute the Tax Due by multiplying the Net Taxable Income by the applicable Tax Rate.

Please use Table 1 to determine the appropriate tax rate to use based upon your respective business status, Community Member-owned or Non-Community Member-owned, and the activity involved.

Table 1

Non Community Member Businesses*		Community Member-Owned Businesses	
	Taxable Rate	Selling to Non Community Member	Selling to Community Member
Retail	1.75%	8.05%	1.75%
Restaurant	1.75%	8.05%	1.75%
Hotel-Transient Lodging	N/A	7.27%	N/A
Hotel-Transient Lodging	1.75%	1.75%	1.75%
Alcohol – Ready to Drink	1.75%	8.05%	1.75%
Package Alcohol - TPT	1.75%	1.75%	1.75%
Pkg Alcohol - Special Tax	1.00%	1.00%	1.00%
Rental	1.75%	2.25%	1.75%
Construction	1.75%	8.05%	1.75%
Use Tax	1.55%	N/A	N/A
Other	1.75%	8.05%	1.75%
Bed Tax	5.00%	5.00%	N/A

* Please note that these tax rates pertain to the Community only. There may be other taxes due to other taxing authorities. Please check with your tax preparer.

Construction Activity

Gross Income – Enter the Total Gross Income, which will include all construction income received (i.e., Taxes Collected) on line 6 of the monthly Tax Return. Please note that, as of October 1, 2015, the Community changed the definition of "construction" to match the recent changes in Arizona state law.

Total Deductions – Transfer the totals of all Deductions claimed as calculated on Schedule A from the column labeled Line 7. This can include all "Taxes collected" for the State, County, and Community.

A detailed record must be kept of all deductions and exemptions claimed. Failure to maintain proper documentation and records required by the Community code may result in the disallowance of these deductions and exemptions during an audit of the business.

For Construction Activity, Construction Companies are allowed certain deductions from their gross income. First, if the General Contractor is the primary contractor on a project, they are required to report and remit the tax due on a construction project within the Community. Sub-contractors working for the General Contractor are exempt from the Community tax, as the General Contractor is responsible for reporting and remitting the tax due. Below is the formula for calculating the tax due for the General Contractor.

The Tax Factor formula is as follows:

Tax Factor = (0.65*(**Combined Tax Rate**) / (1+ 0.65*(**Combined Tax Rate**))))

= (0.65*(**0.0805**))/ (1+ (0.65*(**0.0805**))))

= 0.049723

State & County Rate	6.30%
Community's Rate	1.75%
Combined Tax Rate	8.05%

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Sample Application:

Gross Income = $10,000

Total Tax Collected = .049723

Tax Base = $10,000 – $497.23 = $9,502.77

Deduction: 35% General Contractor's Deduction = (0.35*($9,502.77)) = $3,325.97

Total Deductions = $497.23+ $3,325.97 = $3,823.20

Note: ($497.23 is Total Tax Collected and $3,325.97 is General Contractors 35% deduction)

State & County Tax = 0.063*($6,176.80) =	$389.14
Community Tax = 0.0175*($6,176.80) =	$108.09
Taxable Amount = $10,000 - $3,823.20 = $6,176.80	

Tobacco Tax

Gross Tobacco Sold and deductions claimed should be added together and documented on the tax return on Lines 13 through 19, depending on the description of the gross tobacco sold. The Taxpayer is responsible for reporting **all** tobacco sold during the reporting month. The Taxpayer is allowed deductions from Gross Tobacco Sold for certain transactions (See Schedule B). The responsibility relies on the taxpayer to retain documentation on the disposal of all Tobacco Products during the reporting month.

Enter the total of all Deductions being claimed in the "Total Deductions" column.

Per the ***Tobacco Tax Ordinance Section 15.1-62***, any tobacco sold to a Community Member is exempt from the Tobacco Tax. Exempt Sales to Community Members need to be documented and listed under Total Deductions, along with other exemptions such as loss or destroyed tobacco. Furthermore, a detailed record must be kept of all deductions and exemptions claimed. Failure to maintain proper documentation and records required by the Community Ordinance may result in the disallowance of these deductions and exemptions claimed during an audit of the business.

The Taxable Product column is determined by subtracting Total Deductions from Gross Tobacco Sold. The Taxable Product amount is then multiplied by the respective tax rate as listed in the "Tax Rate" column. This result is listed in the "Tax Due" column.

If the Taxpayer has no other transactions within the Transaction Privilege Tax and Alcohol Tax sections, the Tax Due of each row is added together in Line 24.

Alcohol – LuxuryTax – Ready to Drink

When converting alcohol content from metric measurements into U.S. Gallons, please use Table 2.

Table 2

CONVERSION CHART			
Liquor Type	Bottle Size	Bottles Per Case	U.S. Gallons Per Case
SPIRITUOUS:	1.75 liter	6	2.7738
	1.00 liter	12	3.1701
	750 milliliters	12	2.3775
	500 milliliters	24	3.1701
	200 milliliters	48	2.5361
	50 milliliters	120	1.5850
VINOUS:	3.00 liter	4	3.1701
	1.50 liter	6	2.3775
	1.00 liter	12	3.1701
	750 milliliters	12	2.3775
	375 milliliters	24	2.3775
	187 milliliters	48	2.3712
	100 milliliters	60	1.5850
Official Conversion Factor:	1 liter = 0.264172 U. S. gallons		

Gallons Sold and deductions claimed should be added together and documented on the tax return on Lines 20 through 23, depending on the description of the gross gallons sold. The Taxpayer is responsible to report all alcohol sold during the reporting month. The Taxpayer is allowed deductions from Gross Gallons Sold for certain transactions. (See Schedule C – Alcohol Tax). The responsibility relies on the taxpayer to retain documentation on disposal of all Alcohol Products during the reporting month.

The Taxable Gallons column is determined by subtracting “Total Deductions” from “Gross Gallons Sold”. The “Taxable Product” is then multiplied by the respective tax rate as listed in the “Tax Rate” column. This result is listed in the “Tax Due” column.

Enter the total of all Deductions being claimed in “Total Deductions” column.

If the Taxpayer has no other activities within the Transaction Privilege Tax, Tobacco Tax, or Alcohol Luxury Tax, the Tax Due of each row is added together in Line 24.

Exemption Form

The exemption form is to be used for Community Member deductions for Alcohol, Tobacco, and Transaction Privilege Tax. Each section requires an exemption form. If the taxpayer is reporting a deduction for a transaction which was generated by a Community member it must be listed on the form labeled either “TPT Exemption Form” Schedule A, or “Tobacco Exemption Form” Schedule B, or “Alcohol Exemption Form” Schedule C. **These forms must be filed with the tax return each month**.

Amount of Tax Due

Add Lines 1 through 23 and enter the result on Line 24 (Subtotal).

Prior period adjustments (Line 25) would include credit or debit balances from previous returns (Documentation must be attached for the adjustments to be allowed).

To calculate Total Tax Due, add Line 24 through Line 28.

Lines 26, 27, and 28 are to be used if the Taxpayer wants to make a payment towards interest and penalties that may be due to a late filing or payment of the Community Tax Return. For the Transaction Privilege Tax and Luxury Tax (Tobacco and Alcohol), the Due Date for the respective filing and payment for the tax due is the 20th of the following month. Per the Community Tax Ordinance, the Taxpayer has until the Delinquency Date to file the tax return and pay the taxes due. Per the Community Tax Ordinance, the Delinquency Date is the last day of the following month. As such, if the taxpayer is submitting a tax return for February, the Due Date is March 20th, and the Delinquency Date is April 1st. The return and payment are delinquent if not received by the Community by March 31st. Penalties and interest will be assessed.

Line 26 is for the Interest assessed of 1% per month, or fraction of a month, that the tax is unpaid to the Community. As such, if the taxpayer is 92 days late on a tax due of $5,000, interest of $12.78 would be due ($5,000 multiplied by a factor of 92/360 and then multiplied by 1%).

Line 27 is for the Late Payment Penalty of 10%. If the taxpayer is late in filing their respective tax return, they can use Line 27 to determine the penalties due for late payment. The penalty is 10% of the tax due. As such, if the taxpayer is late with the tax due of $5,000, the penalty would be $500.

Line 28 is for the Late Filing Penalty of 5%. This penalty is applied for each month in which the tax return is late and is assessed for up to a maximum of five (5) months based on the unpaid tax due. As such, if the taxpayer is 92 days late on a tax due of $5,000, the Penalty for Late Filing would be $750 ($5,000 multiplied by 3 months multiplied by 5%).

This office will review the calculations for interest and penalties done by the taxpayer to determine if a tax assessment for outstanding interest and penalties is due. Furthermore, this office reviews all tax returns every month for clerical accuracy. If the tax payment is less than the total tax due, the taxpayer will be subject to an assessment for unpaid taxes plus interest and penalties. If payment is late, the tax department will issue an assessment for unpaid taxes plus interest and penalties. If it is the determination that the taxpayer has overpaid the tax due based upon a clerical error, this office will issue a refund to the taxpayer.

Lines 24, 25, 26, 27, and 28 are totaled, and the result is entered in Line 29, "Total Tax Due.

Enter the amount of your payment on Line 30.

Each return must be signed by the taxpayer and or his/her representative.

If the return has been prepared by a paid preparer, the return must also include the preparer's signature.