



JOB PRINTING & PUBLISHING

Chandler Transaction Privilege (Sales) & Use Tax

This serves as general information only. For complete details, please refer to the City of Chandler Tax Code.

June 2013

WHO MUST PAY THE TAX?

You must be licensed and pay tax if you are engaged in the business of **job printing**. Job printing means copying or reproducing an article by any means, process, or method. Job printing includes engraving of printing plates, embossing, copying, micrographics, and photo reproduction.

You must be licensed and pay tax if you are engaged in the business of **publishing**. This includes (1) the publication of newspapers, magazines, or other periodicals when published within the City of Chandler, or (2) the distribution or delivery within the City of Chandler of newspapers, magazines, or other periodicals not published within the City of Chandler. Publishing revenue is measured by gross revenue from subscriptions, local advertising, and notices. All circulation revenue of a publisher is subscription revenue, except for amounts credited to carriers or vendors as compensation for delivery.

WHEN IS TAX DUE?

Tax is due on the 20th day of the month following the month in which the revenue was recognized.

WHAT IS THE TAX RATE?

The tax rate for Job Printing, Publishing Subscriptions, and Publishing/Local advertising is 1.5% of the taxable income.

WHICH CITY IS OWED THE TAX?

The tax on **job printing** is owed to the city in which the job printer is located, not the location of the purchaser.

The tax on **publishing** is owed to each city in which the publication is distributed if distributed by carrier. Revenues must be allocated to each city by proportion of revenue received for the circulated material. If the publication is mailed, the tax is due to the city in which the publisher is located. This is determined by (1) the location of the offices of the publisher when the printing of the publication is not performed by the publisher, or (2) the location of either the editorial offices or the printing facilities if the publisher performs the printing of the publication.

WHAT DEDUCTIONS ARE ALLOWED?

JOB PRINTING:

1. Job printing purchased for the purpose of resale by the purchaser in the form supplied by the job printer.
2. Out-of-state sales; the order (1) must be placed from out-of-state, (2) to be delivered out-of-state, and (3) for use out-of-state.
3. Sales to qualifying hospitals, qualifying community health centers, or qualifying health care organizations.

SPECIAL PROVISIONS

1. Books: The printing of books is job printing, not publishing. The sale of books is retail.
2. Periodicals: The publishing of periodicals is publishing only, not job printing.
3. Job printing for a publisher: The sale of job printing by a job printer to a publisher who receives subscription revenue from the printed material is a sale for resale and exempt from taxation.

CALCULATING THE TAX

You may choose to charge the tax separately or you may include tax in your sales price. If you include tax in your sales price, you may factor in order to “compute” the amount of tax included in your gross income for deduction purposes.

To determine the factor, add one (1.00) to the total of state, county, and city tax rates.

$$\text{Example: } 1.00 + .078 = 1.078$$

Calculate as follows:

$$\frac{\text{Taxable Income}}{\text{Factor (1.078)}} = \text{Computed Taxable Income}$$

Taxable income less computed taxable income equals your deduction for tax collected.

If more City tax was collected than was due, the EXCESS TAX COLLECTED must be remitted to the City.

USE TAX

This is a tax on items that were purchased, leased, or rented without paying privilege or sales tax. The purchased, leased, or rented items become taxable when they are used, stored, or consumed within the City. Most commonly, purchases, leases, or rentals from out-of-state vendors will fall into this category. The use tax does not apply to purchases, leases, or rentals which are resold or re-leased in the normal course of business.

The City of Chandler Use Tax rate is 1.5%. Businesses are responsible for computing and paying use tax.