

TOWN OF PARADISE VALLEY

**Tax Code Amendments
February 25, 2016**



Purpose

- Council rules require ordinances to be reviewed in Study Session
- State Law requires the Council to adopt the MCTC Amendments



Policy Question

- The Council has no discretion over the MCTC text amendments
- Should there be a tax rate for wastewater utility service?
 - Recommendation is 0%



What is the MCTC?

- The MCTC's goal is to provide a greater degree of uniformity among cities and towns while at the same time preserving local options for determining exemptions and setting tax rates.
- PV adopted the Code in 1987



2012-2014 Amendments

- Incorporation of statutory changes to definitions and exemptions
- Repeal and replacement of Article III – Licensing and Recordkeeping
- Uniformity of taxable categories



Definitions & Exemptions

- Amendments to definitions
 - Jet fuel, prosthetics, renewable energy, food for home consumption
- Amendments to exemptions
 - Interlock devices, job printing,
 - Leases between affiliated entities



Article III Licensing & Recordkeeping

- Repealed and replaced
 - TPT Simplification Act
 - Eliminates the use of the tax license as a means to regulate business for any purpose other than tax collection. (Separate business licenses necessary to regulate and enforce zoning, use permits, etc)



Uniformity of Taxable Categories

- New MCTC classification for wastewater removal services
- Policy Question: Should the rate remain at 0% for PV sewer customers?



Questions?

