

MEETING DATE/TYPE: VOTING MEETING 7-9-19

DEPARTMENT: Finance

AGENDA ITEM: Adopt Resolution No. 2019-1714 Declaring as a Public Record the Document Filed with the City Clerk entitled "Privilege and Use Tax Code" and adopt Ordinance No. 2019-1679 amending Title IV, Chapter 4-1.

Approved By: Michael Lamar, City Manager

Item Summary

In 1987 the City of Prescott adopted the Model City Tax Code (MCTC), which regulates the levying of privilege tax for all cities in Arizona. The MCTC is the City's guiding tax document. When changes are made to the MCTC, the City is required to align the City Code with the MCTC. The last time the City incorporated changes to the MCTC was November 18, 2014.

The Municipal Tax Code Commission (MTCC) maintains the MCTC and consists of a representative of the Department of Revenue and nine mayors or councilmembers of cities or towns that have adopted the model city tax code. Five members are appointed by the Governor, two members are appointed by the President of the Senate and two members are appointed by the Speaker of the House of Representatives.

The MTCC has made several changes to the MCTC over that last five years. The changes are wording clarifications and other changes required by the State Legislature. The items taxable in the City of Prescott are determined by the options that the City adopted when the MCTC was first implemented. Resolution No. 2019-1714 and Ordinance No. 2019-1679 replaces City Code 4-1 with the updated version of the MCTC and does not change the taxability of any items.

Attachments

1. Resolution No. 2019-1714
2. Ordinance No. 2019-1679
3. Privilege and Use Tax Code

AGENDA ITEM: Adopt Resolution No. 2019-1714 Declaring as a Public Record the Document Filed with the City Clerk entitled "Privilege and Use Tax Code" and adopt Ordinance No. 2019-1679 amending Title IV, Chapter 4-1.

Recommended Action: 1) **MOVE** to adopt Resolution No. 2019-1714; and 2) **MOVE** to adopt Ordinance No. 2019-1679.