

ARIZONA DEPARTMENT OF REVENUE

ARIZONA TRANSACTION PRIVILEGE TAX RULING

TPR 93-21

(Note: on 9/2/2020, the statute references were updated to their current numbers. See footnotes for details. No substantive changes were made.)

This substantive policy statement is advisory only. A substantive policy statement does not include internal procedural documents that only affect the internal procedures of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules made in accordance with the Arizona administrative procedure act. If you believe that this substantive policy statement does impose additional requirements or penalties on regulated parties you may petition the agency under Arizona Revised Statutes § 41-1033 for a review of the statement.

ISSUE:

Tax treatment of sales of publications published by this state to encourage tourist travel.

APPLICABLE LAW:

Arizona Revised Statutes (A.R.S.) § 42-5061(A)¹ provides that the retail classification is comprised of the business of selling tangible personal property at retail.

A.R.S. § 42-5061(A)(26)² provides that the tax base for the retail classification does not include magazines or other periodicals or other publications by this state to encourage tourist travel.

A.R.S. § 42-5065(A)³ provides that the publication classification is comprised of the business of publishing newspapers, magazines or other

¹ This ruling originally cited A.R.S. § 42-1310.01.A which was renumbered as A.R.S. § 42-5061(A).

² This ruling originally cited A.R.S. § 42-1310.01.A.26 which was renumbered as A.R.S. § 42-5061(A)(26).

³ This ruling originally cited A.R.S. § 42-1310.05.A which was renumbered as A.R.S. § 42-5065(A).

periodicals and publications if published in this state.

A.R.S. § 42-5065(A)(2)⁴ provides that the publication classification does not include sales of magazines or other periodicals or other publications by this state to encourage tourist travel.

A.R.S. § 1-215(37)⁵ defines "state" as the different parts of the United States, including the District of Columbia, this state and the territories.

DISCUSSION:

The State of Arizona publishes magazines and other publications for the purpose of encouraging tourist travel in this state. Such publications are sold by the state itself and by other vendors. Sales of publications may be subject to transaction privilege tax under the retail classification or the publication classification.

Retail Classification

Retail sales are subject to transaction privilege tax under the retail classification unless specifically exempt by statute. Such an exemption exists for retail sales of state publications to encourage tourist travel. The exemption applies whether the publications are sold by the state itself or other vendors. The exemption is limited, however, to retail sales of magazines, periodicals, books or other publications published by this state to encourage tourist travel.

Publication Classification

The business of publishing newspapers, magazines or other publications in this state is subject to transaction privilege tax under the publication classification. An exemption is provided, however, for sales by this state of publications to encourage tourist travel.

⁴ This ruling originally cited A.R.S. § 42-1310.05.A.2 which was renumbered as A.R.S. § 42-5065(A)(2).

⁵ This ruling originally cited A.R.S. § 1-215.32 which was renumbered as A.R.S. § 1-215(37).

RULING:

Under A.R.S. § 42-5061(A)(26)⁶, retail sales by the State of Arizona or other vendors of magazines or other publications published by this state to encourage tourist travel are not subject to tax under the retail classification.

Under A.R.S. § 42-5065(A)(2)⁷, sales by the State of Arizona of magazines or other publications to encourage tourist travel are not subject to tax under the publication classification.

Harold Scott, Director
Signed April 16, 1993

Explanatory Notice

The purpose of a tax ruling is to provide interpretive guidance to the general public and to department personnel. A tax ruling is intended to encompass issues of law which are not adequately covered in statute, case law or administrative rules. A tax ruling is a position statement which provides interpretation, details or supplementary information concerning the application of the law. **Relevant statute, case law, or administrative rules, as well as a subsequent ruling, may modify or negate any or all of the provisions of any tax ruling.** See GTP 92-1 for more detailed information regarding documents issued by the Department of Revenue.

⁶ See footnote number 2.

⁷ See footnote number 4.