

CITY OF MESA  
ORDINANCE NO 5478

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA RELATING TO TRANSACTION PRIVILEGE AND USE TAXES; AMENDING ARTICLE IV AND ARTICLE VI OF THE MESA CITY CODE TITLE 5, CHAPTER 10 (PRIVILEGE AND EXCISE TAXES) BY INCREASING THE RATE OF TAXATION IN CERTAIN SECTIONS FROM ONE AND THREE-FOURTHS PERCENT (1.75%) TO TWO PERCENT (2.00%) WITH THE FUNDS TO BE USED FOR THE SOLE PURPOSE OF FUNDING MESA POLICE AND MESA FIRE & MEDICAL SERVICES, PERSONNEL, EQUIPMENT, TRAINING AND RELATED COSTS; PROVIDING PENALTIES FOR THE VIOLATION THEREOF; PROVIDING FOR A PRESERVATION OF RIGHTS AND DUTIES; PROVIDING FOR THE GRANDFATHERING OF CERTAIN TRANSACTIONS; PROVIDING FOR SEVERABILITY; EFFECT OF PROPOSITION 126 FROM THE NOVEMBER 6, 2018 GENERAL ELECTION; DESIGNATING THE EFFECTIVE DATE; AND DESIGNATING THE DATE THE TAX RATE INCREASE SHALL BE LEVIED.

SECTION 27: GRANDFATHERING. Notwithstanding any other provision of the Mesa City Code, the City shall tax at 1.75% all transactions creating transaction privilege or use tax liability under the Mesa City Code where the transaction is established under a written contract that was entered into and executed prior to March 1, 2019, and the contract is either silent about allocating increases in the transaction privilege and/or use tax among the parties to the contract or the contract establishes and allocates a fixed 1.75% tax rate. Contracts containing only general language, such as "plus applicable taxes," shall not qualify for grandfathering. This grandfathering of certain transactions lasts only so long as the term of the contract described above or until that contract is renegotiated between the parties, whichever occurs first.

If your contract or lease qualifies under the grandfathering language above, please call 480 644-3816 or email [salestax.info@mesaaz.gov](mailto:salestax.info@mesaaz.gov) to obtain the appropriate tax classification code needed to file your TPT return with the Arizona Department of Revenue.