



## TOWN OF CAREFREE

100 EASY STREET  
P.O. BOX 740  
CAREFREE, ARIZONA 85377  
(480) 488-3686 • FAX (480) 488-3845

### Town of Carefree Privilege Tax on Transient Lodging

The Town of Carefree levies a tax of 6.0% on the gross business receipts from the providing of lodging to transients. In addition, the state of Arizona levies a transient lodging tax of 7.27%, including the Maricopa County tax. This tax is remitted to the Arizona Department of Revenue on your Arizona privilege and use tax return, on the lines designated for the Town of Carefree and Maricopa County.

The transient lodging tax applies to the rental of real property such as apartments, motel rooms, campgrounds, or RV spaces, *for any period of less than thirty consecutive days*. Should your guest rent a space or room for 30 consecutive days or more, the transient lodging tax would **not** apply. However, the Town of Carefree real property rental tax of 3.0 % would apply, while the state of Arizona tax rate would be zero. Please find enclosed some information on the Carefree real property rental property tax.

To report your Carefree transient lodging tax, you must report your transient lodging receipts on two lines for Carefree: on the Carefree line coded as "CA 000" at the rate of 3.0 %, and again on the Carefree line coded as "CA 003" at the rate of 3.0 %. To repeat, the Carefree Town tax rate is 6.0% and the state of Arizona/Maricopa County tax rate is 7.27 %, resulting in the combined tax rate of 13.27 %.

Please call the Town Tax Auditor, Don Zelechowski, 480-367-8421 for any questions regarding the Town of Carefree taxes levied on transient lodging and real property rental business receipts.

## Article IV - Privilege Taxes

### Sec. 9-444. Hotels.

The tax rate shall be at an amount equal to six percent (6.0%) of the gross income from the business activity upon every person engaging or continuing in the business of operating a hotel charging for lodging and/or lodging space furnished to any:

(a) Person. or (Reserved)

(b) (Reserved)

**or**

(b) Transient. "Transient" means any person who, for any period of not more than 29 consecutive days, either at his own expense or at the expense of another, obtains lodging or the use of any lodging space in any hotel for which lodging or use of lodging space a charge is made.

(c) Income derived from incarcerating or detaining prisoners who are under the jurisdiction of the United States, this State or any other state or a political subdivision of this State or of any other state in a privately operated prison, jail or detention facility is exempt from the tax imposed by this Section.