



City of Cottonwood

816 N. Main St.
Cottonwood, AZ 86326

Privilege Tax on Real Property Rental Receipts

The City of Cottonwood levies a 3.0 % privilege tax on the gross business receipts derived from the rental of commercial real property and residential real properties. The City of Cottonwood levies the rental tax on all residential rentals, including single-family residences or rooms. This tax applies to rentals for a period of 30 consecutive days or more. The boarding of pets and horses would be taxable as licensing for use of space, as would the leasing of shop space for a manicurist, barber or other such business activity.

Note that a City of Cottonwood 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*.

Gross rent receipts include rent, late fees, sewer-trash charges, and non-refundable deposits. Further, the income received as a commission from amusement, vending, telephone, coke, laundry, and other machine operators is taxable as licensing for use of real property.

To report your Cottonwood real property rental tax, report your gross rental receipts on your Arizona privilege tax return, on the Cottonwood line coded as “CW 000” at the rate of 3.0%. You may obtain a privilege tax license for the City through the Arizona Dept. of Revenue from their website: <http://www.azdor.gov>.

Please call the City tax auditor, Don Zelechowski, at 480-367-8421, or contact by email at “thedonzz2004@yahoo.com” to discuss any questions you may have on this matter.