



SURPRISE | arizona

Doing Business In Surprise
November 2005

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Doing Business In Surprise - November 2005

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About This Publication

This booklet is designed as a guide for the person who is starting a business or who already has an existing business in the City of Surprise. It includes information on licenses, permits, applications and other tools necessary to start and support a business. Please remember that the booklet serves as a guide and is not written to offer advice. Contents of this booklet should not be construed in any way as investment advice or counsel. Before investing money, consult an attorney, accountant, or other business professions.

We would like to thank many city, county, state and federal agencies for their help in making this publication possible. Every effort has been made to assure that this publication is as accurate and up-

Chapter 8: Dealing with Taxes, Licenses, and Permits

Within this chapter: Taxes & Permits:

- [Federal](#)
- [State](#)
- [Local](#)

[Eating and Drinking Permits](#)

[Liquor License](#)

[Planning & Zoning](#)

[Fire Permits](#)

[Small Business](#)

[Environmental Permitting](#)

Additional Resources Federal Taxes, Internal Revenue Service

210 E. Earll Dr. Phoenix,
AZ 85012

Phone: (602) 207-8031
(800) 829-1040

Web site: www.irs.gov

Forms Distribution Center:

Rancho Cordova, CA 95743-
0001

Phone: (800) 829-3676

Federal Income Taxes

All business must obtain a federal tax I.D. number and file withholding taxes with the U.S. Internal Revenue Service. For some forms of business ownership, such as a sole proprietorship, your tax I.D. number is your social security number. For other forms, such as corporations, you will obtain a new tax I.D. number from the IRS. For current and prior year forms, instructions and publications, the Internal Revenue Service can assist business owners with specific questions concerning federal tax rules and regulations.

State Taxes

The State of Arizona requires additional business licenses and employer identification numbers based on the type and structure of a business.

Business should use an Arizona Joint Tax Application to apply for Transaction Privilege Tax, Use Tax, and Employer Withholding and Unemployment Insurance. The application is “joint” because it is used by both the Departments of Revenue and Economic Security and allows you to apply for any of the listed licenses and registrations on a single application. The application is available from the forms link at the Arizona Department of Revenue website.

The Arizona Department of Revenue’s **Small Business Workshops** are an easy way to learn more about your business tax liability and how to report the taxes. The workshop is a basic overview of completing the Joint Tax Application, reporting and factoring tax, state and city taxes, resale certificates, business classifications, employment taxes and Use tax. Attendees receive a workbook containing valuable information on the taxes that apply to most business classifications. Department of Revenue seminars, workshops, and special events are listed at <http://www.revenue.state.az.us/seminar.htm>.

Another source of information is the online brochure “Business Basics -A Guide to Taxes for Arizona Businesses,” found online at <http://www.revenue.state.az.us/brochure/622.pdf>

Dealing with Taxes, Licenses, and Permits

Additional Resources

Arizona Department of Revenue (ADOR)

2902 W. Agua Fria Freeway
Phoenix, AZ 85027

Phone: (602) 255-2060

Forms by Phone: (602) 542-4260

Web site:

www.revenue.state.az.us

Forms by Fax: (602) 542-3756

City of Surprise Tax & Licensing Division

12425 W. Bell Rd
Surprise, AZ 85374

Phone: (623) 875-4250

Email:

staciem@surpriseaz.com

LOCAL BUSINESS TAXES, LICENSES, AND PERMITS

The City has a business license requirement handled through the Business Licensing Division of the City as well as a transaction privilege tax and license requirement handled for the City by the Arizona Department of Revenue.

Business License

The business licensing is required solely for the privilege of operating/ conducting business within the City limits of Surprise. Business license costs vary, depending on the type of business. Applications can be obtained either in person at the Surprise Tax & Licensing Office or they can be mailed by phone or an email request. Processing of the application generally takes up to two weeks and businesses cannot operate until they are approved for licensing. For more information on City licensing please review City Ordinance Title 5.04 on the City website:

www.surpriseaz.com.

Transaction Privilege Tax and License

This is a tax on the “privilege” of doing business, but is often passed on to the business’ customers as “sales tax.” Various business activities are subject to transaction privilege tax and must be licensed, including retail sales, restaurants/bars, hotel/motel (transient lodging), commercial leasing, amusements, personal property rentals, contracting, owner/builders, severance (mining, timbering), transportation, printing, publishing, utilities, communications, air/railroad, and private cars/pipelines.

Businesses must maintain adequate records and documentation to support income and deductions. Privilege taxes are due and payable on or before the 20th of the month succeeding the period in which the tax accrues.

City Privilege Tax

The Department of Revenue collects this tax for Surprise. Apply through

Dealing with Taxes, Licenses, and Permits

Additional Resources

Environmental Services
Division

Restaurant and Food-Related
Businesses)

1001 N. Central Ave., Suite
300

Phoenix, AZ 85004

Phone: (602) 506-6970

Fax: (602) 506-6862

Web Site:

www.maricopa.gov/envsvc

E-mail:

webmail@mail.maricopa.gov

v

the Arizona Joint Tax Application. Businesses pay the license fee for cities in which they do business in addition to the applicable state license fees.

Transaction Privilege Tax (TPT) is imposed on the seller for doing business in the state, although the tax is usually passed on to the customer.. A transaction privilege tax license must be issued for each location at which business is conducted. Businesses with multiple locations or business lines can opt to license and report for each location separately or have a consolidated license (and report aggregate sales). Use the Arizona Joint Tax Application to apply for your transaction privilege tax license. The cost for each license/location is \$12.

Transient Occupancy Tax

This is a 1% tax on motel and hotel owner/operators, in addition to the TPT privilege tax. Apply through the Arizona Joint Tax Application with the Department of Revenue.

EATING AND DRINKING PERMITS

If you are opening a restaurant or any other type of establishment that serves food and drink, an Eating and Drinking Permit is required from the Maricopa County Environmental Services Department. Your business also must comply with Maricopa County rules and regulations established for food handlers and food facilities.

Chapter VIII, Section 1, Regulation 3 of the Maricopa County Environmental Health Code states that “No person shall operate a food establishment, food service establishment or a food catering establishment without a valid permit to do so from the Department or otherwise than in compliance with the applicable regulations in the Environmental Health Code. The permit shall be posted in a conspicuous place on the premises of the food establishment.”

The definition of a Food Establishment is “—an operation that stores, prepares, packages, serves, vends, or otherwise provides food for human consumption: Such as a restaurant; satellite or catered feeding location; catering operation ...that relinquishes possession of food to a consumer directly, or indirectly...”

Information is available at www.maricopa.gov/envsvc, including:

Dealing with Taxes, Licenses, and Permits

- Environmental Health Code
- Detailed Plan Review Guidelines
- Food Service Manager / Food Service Worker Information

Liquor License Applications are obtained from:

Arizona Department of Liquor Licenses and Control

800 W. Washington St., Suite 500

Phoenix, Arizona 85007

Web Site: <http://www.azll.com/overview.htm#approval>

Phone: (602) 542-5141

Fax (602) 542-5707

Further information is available on the City of Surprise website

www.surpriseaz.com.

Choose "city departments," then "fire department," then "fire protection" for information on fees and local amendments.

STATE LIQUOR LICENSES

The State of Arizona regulates liquor licenses. First, the State Department of Liquor Licenses and Control forwards a copy of your application to the City for processing. When an application is received by the City, a Public Notice will be posted at the business location for 20 days, and the application will go before the City Council for consideration. The City of Surprise has 60 days after the filing date with the Department of Liquor Licenses and Control to recommend approval or disapproval of the application. The City then informs the State Liquor Board of its decision. Finally, the State Liquor Board acts upon that recommendation.

PLANNING AND ZONING PERMITS

Any activity that involves construction, remodeling, new signage, etc., will be regulated by the Community Development Department of the City of Surprise. For more information, contact:

Planning and Zoning

City of Surprise

12425 W. Bell Rd., Bldg. D

Surprise, AZ 85374

Phone: 623-875-4337

Web page: <http://www.surpriseaz.com> Go to City Departments -- Community Development – Planning and Zoning Division.

LOCAL FIRE CODES

The Surprise Fire Department is responsible for ensuring compliance to local fire codes by local businesses. Compliance with fire codes is achieved in two ways:

Dealing with Taxes, Licenses, and Permits

1. Through the plan review of construction or development plans. Questions regarding this process should be directed to the Fire Plans Examiner located in building Permits and Inspections. The Plans Examiner's phone number is (623) 594-5696.
2. Through an ongoing business inspection program performed by the Surprise Fire Prevention Office. Questions concerning these inspections and code requirements call (623) 583-8225.

SMALL BUSINESS ENVIRONMENTAL PERMITTING

Small businesses are affected by the many requirements of 1990's Clean Air Act Amendments (CAAA). Many companies often cannot afford to hire environmental experts to interpret complex regulations or complete complex applications. Because the costs of not complying are so high, the State of Arizona has a **Small Business Environmental Assistance Program** (SBEAP) to provide technical and environmental compliance support to companies employing fewer than 100 employees.

The free SBEAP program is available to help businesses comply through education and technical assistance, not enforcement. The program assists businesses with the Maricopa County air quality permits applicant process, work site evaluations, compliance solutions and pollution prevention strategies. It also provides emission inventory assistance, pollution prevention information and guides and industry-specific workshops.

ARIZONA ENVIRONMENTAL REGULATIONS

Arizona has a special program to ensure that small businesses comply with environmental rules and regulations. The Compliance Assistance Program is separate from the inspection and enforcement divisions of the Arizona Department of Environmental Quality and is designed to relieve concern in dealing with a state regulatory agency for answers to environmental questions.

The Compliance Assistance Program is a free service to businesses that includes the following:

- Informal on-site visits to identify potential problems before they

Maricopa County SBEAP
1001 N. Central Ave. #500
Phoenix, AZ. 85004

Web Site: [http://
www.maricopa.gov/sbeap/](http://www.maricopa.gov/sbeap/)

Richard Polito, SBEAP
Manager

Phone: 602-506-5102

Email
rpolito@mail.maricopa.gov

Dealing with Taxes, Licenses, and Permits

*Arizona Department of
Environmental Quality*

1110 W. Washington St.

Phoenix, AZ 85007

*Phone: (602) 771-2300,
(800) 234-5677*

Fax: (602) 771-2382

*Web Site: [http://
www.azdeq.gov/](http://www.azdeq.gov/)*

*Small Businesses can
contact each environmental
program for assistance:*

- *Air Quality
Compliance at (602)
771-2324*
- *Drinking Water
Compliance at (602)
771-4445*
- *Hazardous Waste
Programs at (602) 771-
4153*
- *Southern Regional
Office at (520) 628-6733*
- *Northern Regional
Office at (928) 779-0313*
- *ADEQ Ombudsman
(602) 771-4881*

become an issue with ADEQ inspectors,

- Pollution prevention guidance such as information on process changes or product substitutions to reduce or eliminate emissions,
- Guidance documents that provide straight forward easy-to-read information explaining rules and compliance requirements,
- Permit application assistance in terms of the types of permits that are required and assistance in preparing the applications,
- Conferences and workshops that address general and industry-specific environmental topics, and
- Phone consultation with staff members to answer environmental questions.

The Program also can provide consultations, pre-application conferences, coordination of reviews and approvals, and expedited permit reviews.

APPENDIX A: Useful Contacts and Websites

Office of Economic Development—City of Surprise

12425 W. Bell Rd., Bldg. D-100
Surprise, AZ 85374
Phone: (623) 875-4273
Fax: (623)875-5049
Web site: www.surpriseaz.com
E-mail: econdev@surpriseaz.com

Determining where to start is not always easy. If you aren't sure who to contact or what steps to take, Surprise's Economic Development Department is a great place to begin.

The Economic Development staff will be happy to assist you in determining a path to start your business, expand an existing business, or find a new location. The Economic Development Department offers business firms an ombudsmen service to assist with the City's development process, increase understanding of regulations and assess project needs. Staff can also provide introductions to other departments or additional resources.

The Economic Development Department has services designed for both new and existing businesses—from small entrepreneurial operations to Fortune 500 firms. Services include confidential consultations, assistance with site selection, introduction to private and public sector development and real estate representatives and providing demographic information to assist potential new business owners.

Surprise's Office of Economic Development actively promotes and preserves the economic strength of the city to ensure that Surprise is the preferred location for new, existing and expanding organizations.

Northwest Valley Chamber of Commerce

12801 W. Bell Rd., Suite 14
Surprise, AZ 85374
Phone: (623) 583-0692
Fax: (623) 583-0694
Web Site: www.northwestvalley.com
E-mail: chamber@northwestvalley.com

The Northwest Valley Chamber of Commerce is a private, not-for-profit business organization providing a wealth of information for any size business. For more than 42 years, the Northwest Valley Chamber of Commerce has been a leading advocate for businesses. The Chamber also acts as an ombudsman for resolution of public policy issues that affect the business community at a local, county or state level.

As one of the largest Chambers in metropolitan Phoenix, members are given many opportunities to market their businesses and to enhance their business skills through individual counseling, group workshops and networking activities. The chamber also hosts monthly seminars and events to assist our members.

APPENDIX A: Useful Contacts and Websites

Maricopa County Regional Library - Surprise

16089 N. Bullard Ave.
Surprise, AZ 85374
Phone: 623-544-6371

Web Site: maricopa.gov/library

The Surprise Library is a great business resource and contains various business materials, government and legal documents and “how to” publications on such topics as how to start a business, how to get a loan and how to write a business plan. The Northwest Regional Library is located in the Surprise Recreation Complex in the City of Surprise. This 23,000 sq. ft. facility is the District’s newest “state of the art” Regional Library with a collection of over 40,000 items in all formats and offers over 60 Internet-accessible computers throughout the building. It is a model of the latest technology in the library and information field in terms of customer service with self-checkout, self-check in and Smart Library Cards.

Arizona Department of Commerce

1700 W. Washington St., Suite 600 Phoenix, AZ 85007
Phone: (602) 771-1100 Toll free: (800) 528-8421 Fax: (602) 771-1209
Web site: www.azcommerce.com E-mail: webmaster@azcommerce.com

The Arizona Business Assistance Center, a division of the Arizona Department of Commerce, provides a variety of resources to assist anyone interested in starting, expanding or relocating a business in the state. The Arizona Business Assistance Center has three components and are located at the Arizona Department of Commerce.

Arizona Business Connection

Web site: <http://www.commerce.state.az.us> “Small Business Services” page; then go to “Arizona Business Connection - [Walks you through what you need to know to start or expand your business](#)”.

Phone: (602) 771-1196 Toll free: (800) 542-5684

The Arizona Business Connection’s Web site provides regulation and licensing information for starting a business. At this Web site, you may also create a customized information package to print at your convenience. This office also produces the free publications, Guide to Establishing and Operating a Business, Small Business Book and Entrepreneur’s Encyclopedia, available at the Chamber of Commerce and Regional Library. To obtain copies of these publications, visit the Library or call (623) 544-6371 or drop by the Northwest Valley Chamber of Commerce at 12801 West Bell Rd., Ste. 14, Surprise, AZ 85374. Phone (623) 583-0692

Fax (623) 583-0694. Web page chamber@northwestvalley.com

APPENDIX A: Useful Contacts and Websites

Office of Minority/Women-Owned Business Enterprise Services

Phone: 602-262-6790

<http://www.azcommerce.com/mwbedir/>

The Office of Minority/Women-Owned Business Enterprise Services acts as a resource and advocate for women and minorities who own businesses by helping them market their products and services to state agencies and other companies. The office publishes a directory of women and minority-owned businesses that is distributed to state agencies, local corporations and financial institutions.

Small Business Advocate—Governor's Council on Small Business

1700 West Washington, Suite 220 Phoenix, AZ 85007

Email: gcsb@azcommerce.com

Telephone: 602-771-1173

Fax: 602-771-1209

The Small Business Advocate maintains ongoing communication between the Governor's Office and small business. The advocacy office works with chambers of commerce and other groups to develop policies and programs relevant to small business, supports state legislation that benefits the business community, and interacts with state agencies to improve relationships between state departments and the small business community.

Arizona Secretary of State's Trademark and Trade Name Office

Phoenix Customer Service Center

14 N. 18th Ave just across street from the Capitol Executive Tower

Mailing Address 1700 West Washington, 7th Floor Phoenix, Az 85007-2888

Phone (602) 542-6187 or 800.458.5842

Web site www.azsos.gov/business_services/trademarksandtradenames.htm

Email trades@azsos.gov

Arizona Corporation Commission

1300 W. Washington Street Phoenix, AZ 85007 (602) 542-3230

www.cc.state.az.us

<http://www.cc.state.az.us/corp/filings/forms/packets.htm>

Maricopa County Recorder

Main Office (Downtown) 111 S. Third Ave., Phoenix AZ 85003

Phone: 602-506-3535

Southeast Office (Mesa) 222 E. Javelina, Mesa AZ 85210

Phone: 602-506-3535

<http://recorder.maricopa.gov>

Arizona Department of Revenue (ADOR)

2902 W. Agua Fria Freeway Phoenix, AZ 85027

Phone: (602) 255-2060 Forms by Phone: (602) 542-4260

Web site: www.revenue.state.az.us Forms by Fax: (602) 542-3756

"Business Basics: A Guide to Taxes for Arizona Businesses," is found online at <http://www.revenue.state.az.us/brochure/622.pdf>



SURPRISE
ARIZONA

Beyond Expectations

**City of Surprise
Economic Development
Department**

12425 West Bell Road
Building B

Phone: 623.875.4273

Fax: 623.875.5049

E-mail: econdev@surpriseaz.com

City of Surprise

Small Business Assistance Program (SBAP)

Interested in starting your own business? We'll help you get your business started and serve as an on-going resource. We'll work with you as long as you need help.

Through the SBAP, Surprise offers one-on-one coaching and counseling to existing and would-be entrepreneurs, helping them establish business plans and access private and public resources. Our Economic Development staff is complemented by a network of volunteers with business expertise. Go to www.surpriseaz.com—Economic Development Department—or call 623.875.4273 for more information.



12801 West Bell Rd., Ste. 14,
Surprise, AZ 85374

Phone: 623.583-0692

Fax: 623.583-0694

Email: chamber@northwestvalley.com

Welcome Business Partners!

The Northwest Valley Chamber of Commerce encourages you to become a business partner with the Chamber and become active in one of the most vibrant business organizations in metropolitan Phoenix.

The Chamber is adept at providing assistance with marketing your product or service, finance options for your business, leads, seminars and workshops, several networking options as well as events to showcase your products.

Chamber members are at the very heart of the region's success. Through their commitment to the community, they create a partnership between local businesses and residents. Chamber members provide more than membership dues. They are volunteers, leaders and advocates for optimum quality of life in the Northwest Valley.

Long before there were thousands of rooftops in the area, there was the Chamber of Commerce. Early business owners recognized the potential of the Northwest Valley and banded together to create a thriving economy and a great place to live. We thank the early pioneers in the region. They created the strong base for the growth and accomplishment that was to follow years later.

Join us; won't you? We're always looking for people who share our values and goals: pursuing all of the good things in life, right here in the Northwest Valley. Stop by the Chamber office any weekday and learn a lot about local life.