



TOHONO O'ODHAM NATION

OFFICE OF THE TREASURER

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May 25, 2018

Notice: 22 Tohono O'odham Code - Transaction Privilege Tax Amendment

On May 18, the Office of the Chairman and the Office of the Treasurer's amendment to the Transaction Privilege Tax Ordinance passed Legislative Council by Resolution No. 18-166, effective May 22. The amended ordinance exempts from tax the receipts from sales of goods to the Tohono O'odham Nation government and the district governments.

Unlike a sales tax, the transaction privilege tax is imposed on the seller, not the customer. Like any other expense the seller may pass this on to the purchaser as part of the price charged for the good or service. Typically, the seller has chosen to show this on the bill or invoice as a separate line item (e.g., the Nation's 5% Tax).

How does the amendment affect my department or district? In short, the seller can no longer add the 5% tax to any quote, invoice, or bill when a department or district purchases goods. If the 5% tax is added to any quote, invoice, bill, or similar document, ask the seller to remove the added tax.

Two example quotes are attached to show how this 5% tax is typically added by the seller to a quote or invoice.

The amendment applies to retail sales made under 22 Tohono O'odham Code, Chapter 2 Transaction Privilege Tax.

The amendment does not apply to 22 Tohono O'odham Code, Chapter 1 Tobacco Tax. The amendment also does not apply to 22 Tohono O'odham Code, Chapter 5 Hotel Occupancy and Food and Beverage Taxes.

For all entities not listed above including individual tribal members, the transaction privilege tax ordinances still apply.

If you have any questions, please contact the Office of the Treasurer at (520) 383-1800. Thank you.

Ryan Claw, Treasurer
Tohono O'odham Nation