

ADOPTED BY THE  
MAYOR AND COUNCIL ON

December 16, 2025

ORDINANCE NO. 12218

RELATING TO BUSINESS SERVICES; AMENDING TUCSON CODE CHAPTER 19, ARTICLE I, DIVISION 5, SECTION 19-66 TO INCREASE THE TRANSIENT RENTAL OCCUPATIONAL LICENSE TAX RATE FROM SIX (6) PERCENT TO NINE (9) PERCENT AND ELIMINATE THE VARIABLE DOLLAR AMOUNT SURTAX; AND SETTING AN EFFECTIVE DATE.

NOW, THEREFORE BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF TUCSON, ARIZONA AS FOLLOWS:

SECTION 1. That Tucson Code, Chapter 19, Article III, Division 4, Section 19-66 is amended to read as follows:

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**Sec. 19-66. Tax imposed; nature and source of transient rental occupational license tax.**

(a) *Nine (9) percent tax.* Every person who operates or causes to be operated a hotel or recreation vehicle park within the city is subject to and shall pay an occupational license tax in an amount equal to nine (9) percent of the rent charged by the operator to a transient. The transient rental occupational license tax imposed on the class of lodging house and recreation vehicle park operators serving transients as defined in section 19-1 is not on the privilege of doing business within the city, but is a license tax on the transient rental occupation. The tax, when due, constitutes a debt owed by the operator to the city which is extinguished only by payment thereof to the city. If the rent is charged by the operator to the transient in installments, the tax thereon shall be due as provided herein for the calendar month in which the installment was charged. Upon the transient's ceasing to occupy space in the hotel, the tax on any uncharged rent shall be due for that calendar month.

(b) *Variable dollar amount surtax.* In addition to the measure of tax established in subsection (a), there is imposed upon every person who operates or causes to be operated a hotel within the city an additional

amount of tax at the rate of zero dollars (\$0.00) and, effective August 1, 2018, upon every person who operates or causes to be operated a recreational vehicle park within the city an additional amount of tax at the rate of zero dollars (\$0.00) for each twenty-four (24) hour period or fraction thereof that each occupancy is rented. The amount of such additional tax shall be separately identified in the reports required by the rules and regulations for administration of the transient rental tax to be made by the taxpayer to the city and on the books and records of the taxpayer. The administrative rules and regulations aforementioned shall apply to this additional tax unless in conflict with this paragraph (b).

(c) *Exclusions.* The occupational license tax imposed by subsections (a) and (b) shall not apply to:

(1) Income derived from incarcerating or detaining prisoners who are under the jurisdiction of the United States, Arizona, 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;

(2) Gross proceeds of sales or gross income that is properly included in another business activity under chapter 19, article II and that is taxable to the person engaged in that business activity, but the gross proceeds of sales or gross income to be deducted shall not exceed the consideration paid to the person conducting the activity;

(3) Gross proceeds of sales or gross income from transactions or activities that are not limited to transients and that would not be taxable if engaged in by a person not subject to tax under this division;

(4) Gross proceeds of sales or gross income from transactions or activities that are not limited to transients and that would not be taxable if engaged in by a person subject to taxation under sections 19-410 or 19-475 due to an exclusion, exemption, or deduction;

(5) Gross proceeds of sales or gross income from commissions received from a person providing services or property to the customers of the hotel; however, such commissions may be subject to tax under sections 19-445 or 19-450 as rental, leasing, or licensing for use of real or tangible personal property; or

(6) Income from providing telephone, fax, or internet services to customers at an additional charge that is separately stated to the customer and is separately maintained in the hotel's books and records; however, such gross proceeds of sales or gross income may be subject to tax under section 19-470 as telecommunication services.

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SECTION 2. This ordinance will be effective as of March 1, 2026.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of  
Tucson, Arizona, December 16, 2025.

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MAYOR

ATTEST:

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INTERIM CITY CLERK

APPROVED AS TO FORM:

REVIEWED BY:

\_\_\_\_\_  
CITY ATTORNEY

\_\_\_\_\_  
CITY MANAGER

RN/dv  
12/01/2025