

ADOPTED BY THE
MAYOR AND COUNCIL ON

December 16, 2025

PROPOSED ORDINANCE NO. 12216

RELATING TO BUSINESS SERVICES; AMENDING CHAPTER 19, ARTICLE II, DIVISION 4, SECTION 19-405 OF THE TUCSON CODE TO CHANGE THE ADVERTISING PRIVILEGE TAX RATE FROM ZERO PERCENT (0%) TO TWO POINT SIX PERCENT (2.6%); 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 II, Division 4, Section 19-405, Advertising, is amended to read as follows:

* * *

Sec. 19-405. Advertising. (Regs. 405.1, 405.2)

(a) The tax rate shall be at an amount equal to two and six-tenths percent (2.6%) of the gross income from the business activity upon every person engaging or continuing in the business of "local advertising" by billboards, direct mail, radio, television, or by any other means. However, commission and fees retained by an advertising agency shall not be includable in gross income from "local advertising". All delivery or disseminating of information directly to the public or any portion thereof for a consideration shall be considered "local advertising", except the following:

(1) The advertising of a product or service which is sold or provided both within and without the state by more than one "commonly designated business entity" within the state, and in which the advertisement names either no "commonly designated business entity" within the state or more than one "commonly designated business entity". "Commonly designated business entity" means any person selling or providing any product or service to its customers under a common business name or style, even though there may be more than one (1) legal entity conducting business functions using the same or substantially the same business name or style by virtue of a franchise, license, or similar agreement.

(2) Advertising of a facility or of a service or activity in which neither the facility nor a business site carrying on such service or activity is located within the state.

(3) The advertising of a product which may only be purchased from an out-of-state supplier.

(4) Political advertising for United States Presidential and Vice Presidential candidates only.

(5) Advertising by means of product purchase coupons redeemable at any retail establishment carrying such product but not product coupons redeemable only at a single commonly designated business entity.

(6) Advertising transportation services where a substantial portion of the transportation activity of the business entity advertised involves interstate or foreign carriage.

(b) Reserved.

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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.

MAYOR

ATTEST:

INTERIM CITY CLERK

APPROVED AS TO FORM:

REVIEWED BY:

CITY ATTORNEY

CITY MANAGER

RN/dv
12/01/2025