

Unisource Energy Services Customer Information Schedule CIS-2 Taxes and Assessments

Taxes and Assessments

These are charges levied by state and local regulatory and government authorities in addition to charges for utility services from UNS Gas, Inc. Depending on where you live and whether you are a residential, commercial or industrial customer, the following taxes and assessments may be included on your bill:

- **Franchise Fee:** A 2% fee charged by most cities.
- **State Sales Tax:** A tax charged by the State of Arizona (5.6%) and applied to the bill after inclusion of the Franchise Fee, ACC, and RUCO assessments.
- **City Sales Tax:** A tax charged by the city that may be offset by the city's franchise fee. Under the Model City Tax Code Section 480, a city may elect to allow the franchise fee to offset the city sales tax. The city sales tax is applied to the bill after inclusion of the Franchise Fee, ACC, and RUCO assessments.

To find current sales tax rates go to:

<http://www.azdor.gov/Business/TransactionPrivilegeTax/TPTRates.aspx>

- **County Sales Tax:** A tax charged by the county and applied to the bill after inclusion of the Franchise Fee, ACC, and RUCO assessments. To find the current county sales tax rates use the azdor.gov hyperlink above.
- **Arizona Corporation Commission Assessment – (ACC):** A fee charged to all customers (0.21% Gas) and applied to the bill after inclusion of the Franchise Fee, City Sales Tax, County Sales Tax, and State Sales Tax.
- **Residential Utility Consumers Office Assessment – (RUCO):** A fee charged to residential customers (0.04% Gas) and applied to the bill after inclusion of the Franchise Fee, City Sales Tax, County Sales Tax, and State Sales Tax.
- **Utility Relocation Fund/ City Relocation Fee:** Prescott Valley (2.00%) Lake Havasu (2.00%) A relocation fee assessed by the City to cover costs incurred when utility infrastructure must be moved to accommodate public improvements within the City's jurisdiction (i.e., within city limits).

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- **City Utility Tax:** Clarkdale (1.50%), Cottonwood (1.50%), Jerome (1.50%), Sedona (1.50%) A city tax that refers specifically to utility services rather than to general retail sales.

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Table 1 below illustrates the calculation of taxes and assessments for a UNS Gas Rate GRRES residential customer living in Kingman with a pretax bill of \$100.00. The base amount of \$100.00 is multiplied by the corresponding percentage for each category to calculate the base tax and assessment. The sales tax rate in the City of Kingman is 0.5%. However, the city allows the 2% franchise fee to offset the city sales tax rate. Therefore, a city sales tax rate of 0.5% (2.5% - 2.0% = -0.5%) is assessed in the table below. The final bill is \$113.70 and includes \$8.91 of taxes and assessments.

Table 1	Kingman Franchise Fee	Kingman City Sales Tax	Mohave County Sales Tax	State Sales Tax	ACC	RUCO	Total
	2.00%	0.50%	0.00%	5.6%	0.21%	0.04%	
Base Taxes & Assessments	\$2.10	\$0.52	\$0.00	\$5.87	\$0.22	\$0.04	\$8.75
Franchise Fee		\$2.10	\$0.00	\$2.10	\$2.10	\$2.10	
City Sales Tax					\$0.52	\$0.52	
County Sales Tax					\$0.00	\$0.00	
State Sales Tax					\$5.87	\$5.87	
					\$8.49	\$8.49	
Franchise Fee							
ACC Assessment		\$0.22	\$0.00	\$0.22			
RUCO Assessment		\$0.04	\$0.00	\$0.04			
		\$2.20	\$0.00	\$2.20			
Tax-on-Tax		\$0.01	\$0.00	\$0.13	\$0.02	\$0.00	\$0.16
Total Tax & Assessments	\$2.10	\$0.53	\$0.00	\$6.00	\$0.24	\$0.04	\$8.91