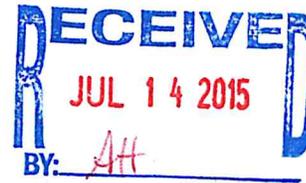


# STATE OF ARIZONA

Department of Revenue



Douglas A. Ducey  
Governor

David Raber  
Director

July 8, 2015

City of Safford  
ATTN: Building Official  
PO Box 272  
Safford, Arizona 85548

Dear Building Official:

This is to let you know that we are in the process of mailing annual certificates to construction contractors for purposes of compliance with **ARS § 42-5007**. This law requires that building authorities obtain a certificate from the Department of Revenue to ensure that the bonding requirement has been met prior to the issuance of any building permit for projects of \$50,000 or more in value. All qualified contractors should receive their certificate by July 31, the expiration date of the last certificates.

There are three versions of certificates that represent compliance with the bond requirement: An annual certificate issued by the Department of Revenue; a one-time exemption; and a receipt for a bond for the actual project. Please note that the one-time exemption and receipt for bond must specify the location of the project site. Examples of the different types of certificates are enclosed for reference, along with the guidelines for compliance with this law.

For any questions regarding these procedures or assistance to contractors, please contact the Bond Compliance Officers at (602) 716-6056.

Sincerely,

*Robert Ellis*

Robert Ellis  
Administrator  
License & Registration



# One-Time Bond Exemption Certificate

Date: \_\_\_\_\_

Legal Business Name: \_\_\_\_\_

DBA: \_\_\_\_\_

Transaction Privilege Tax License Number: \_\_\_\_\_

PROJECT ADDRESS

ESTIMATED COMPLETION DATE: \_\_\_\_\_

VALUE OF CONTRACT: \_\_\_\_\_

This exemption applies only to the construction project specified above. If you have any questions, please call our Bond Compliance Officer at (602) 716-6056 or (800) 634-6494 toll-free in state.

Signature \_\_\_\_\_

Title \_\_\_\_\_

ADOR 74-4005 (8/03)

SAMPLE

# Arizona Department of Revenue Receipt Form

[Empty box]

Date: \_\_\_\_\_  
Taxpayer ID No.: \_\_\_\_\_  
Taxpayer: \_\_\_\_\_  
Tax for: \_\_\_\_\_  
Surety Bond No. : \_\_\_\_\_ Underwriter: \_\_\_\_\_

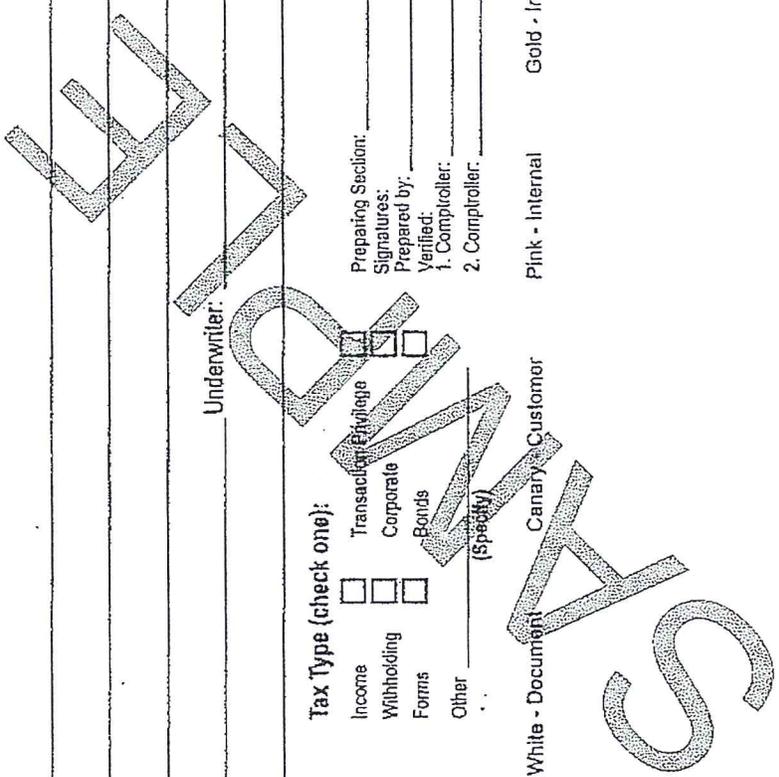
Received of: \_\_\_\_\_  
Transaction:/Document: \_\_\_\_\_  
Total: \$ \_\_\_\_\_  
Check: \_\_\_\_\_  
Cash: \_\_\_\_\_

### Tax Type (check one):

- Income
- Withholding
- Forms
- Other \_\_\_\_\_
- Transaction Privilege
- Corporate
- Bonds
- (Specify)

Preparing Section: \_\_\_\_\_  
Signatures: \_\_\_\_\_  
Prepared by: \_\_\_\_\_  
Verified: \_\_\_\_\_  
1. Comptroller: \_\_\_\_\_  
2. Comptroller: \_\_\_\_\_

ADOR 09-1010 (8/04)      White - Document      Canary - Customer      Pink - Internal      Gold - Internal  
Previous ADOR 10-1010





Arizona Department of Revenue  
 License & Registration Section  
 1600 W MONROE  
 PHOENIX AZ 85007-2650

BOND EXEMPTION CERTIFICATE

Issued To: (LEGAL BUSINESS NAME)  
 (DBA NAME)  
 (ADDRESS)  
 (CITY, STATE & ZIP)

License #

ALL communications and reports MUST REFER to this LICENSE NO.

THE CONTRACTOR LISTED ABOVE IS EXEMPT FROM A.R.S. 42-5007 BONDING  
 -NOT TRANSFERABLE-

SAMPLE

FROM: (DATE)  
 TO: (DATE)

EFFECTIVE DATE

(PRINT DATE)

PRINT DATE

ARS TITLE PAGE	NEXT DOCUMENT	PREVIOUS DOCUMENT
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42-5007. Taxpayer security; out-of-state prime contractors; definition

A. In lieu of the bond required under section 42-1102 or 42-5006, a person who is in the construction business, who does not have a principal place of business in this state and who enters into a prime construction contract to be performed in this state, at the time the contract is entered into, shall furnish to the director or the director's agent a surety bond or other acceptable security in an amount equal to the gross receipts to be paid under the contract multiplied by the aggregate rates of the applicable taxes imposed by this chapter to secure payment of the tax imposed by this chapter on the gross receipts from the contract and shall obtain a certificate from the director or the director's agent that the requirements of this section have been met.

B. If the total amount to be paid under the contract is changed by ten per cent or more after the date the bond or other security is furnished, the person shall increase or decrease, as the case may be, the amount of the bond or security within fourteen days after the change.

C. If a person fails to comply with subsection A or B of this section, the director or the director's agent may:

1. Demand by certified mail or in person that the person comply. On the person's failure to comply within ten days after the date of the mailing of such demand, the director may institute a proceeding to enjoin the person's business as provided in section 42-1103.

2. When a serious and immediate risk exists that an amount of tax due or reasonably expected to become due from the person on gross receipts from a prime construction contract will not be paid, request the person to comply, and, on failure to comply immediately, the director may without further notice apply to tax court for an injunction under section 42-1103.

D. This section does not apply if the total gross receipts under the construction contract, including any change in such amount, are to be less than fifty thousand dollars.

E. A city, town or county or an agency of this state shall not issue a building or other construction permit to any person who is subject to the requirements of this section without having first been furnished by the construction contractor with the certificate from the director or the director's agent provided under subsection A of this section.

F. In this section "principal place of business" means a location where a person has continuously operated a facility with at least one full-time employee for the preceding twelve consecutive months.