

**CITY OF BULLHEAD CITY
OWNER BUILDER - DECLARATION OF INTENT**

Project Address: _____ **Permit #:** _____
Permit Type: _____

Property Owner Name: _____

Mailing Address: _____

Phone Number: _____

Initial One	OWNER BUILDER CONTRACTOR LICENSE EXEMPTION DECLARATION
	I understand that the "Handyman" exemption does not apply to any construction project which requires a building permit and/or the total cost of materials and labor are more than \$1000. I understand that all contractors must have a valid Arizona Registrar of Contractors license and a valid City of Bullhead City business license.
	<u>Improvements to Vacant or Improved Property (intended for occupancy solely by the owner):</u> I am exempt from Arizona contractor license laws on the basis that I am the owner/developer of the property and the property will not be used by members of the public, sold or rented for at least one year after completion of this project (ARS § 32-1121.A.5).
	<u>Improvements To Vacant Property (intended for use by members of the public, sale or rent):</u> I am exempt from Arizona contractor license laws on the basis that I am the owner/developer of the property and I will contract with a licensed general contractor to provide all construction services (ARS § 32-1121.A.6). <ul style="list-style-type: none"> • General Contractor information to be provided on reverse.
	<u>Improvements To Improved Property (intended for use by members of the public, sale or rent):</u> I am exempt from Arizona contractor license laws on the basis that I am the owner/developer of the property and I will contract with licensed general contractors or specialty contractors to provide all construction services. (ARS § 32-1121.A.6). <ul style="list-style-type: none"> • General Contractor and/or Specialty Contractor information to be provided on reverse.
Initial One	SALES TAX DECLARATION
	<u>I am constructing minor improvements to real property.</u> I understand that all construction contractors utilized in connection with this project are liable for payment of the City of Bullhead City sales tax.
	<u>I am constructing substantial improvements to real property for my own use.</u> I do not intend to sell the improved real property within twenty-four (24) months after completion. I understand that all construction contractors utilized in connection with this project are liable for payment of the City of Bullhead City sales tax. I also agree to furnish a list of amounts paid to all contractors to the Finance Department of the City of Bullhead City within fifteen (15) days after final inspection. I further understand that if I sell the project within twenty-four (24) months after completion, I am liable for sales tax on the sales price, less applicable credit for taxes previously paid.
	<u>I am constructing substantial improvements to real property which I intend to sell upon completion.</u> I declare liability for payment of City of Bullhead City sales tax which I understand is due and payable upon the full sales price at the close of escrow or transfer of title, whichever occurs first. I further understand that if the project is not sold within twenty-four (24) months after completion, I am liable for payment of all sales tax on construction costs previously claimed as exempt (including land). If this box has been checked, you must go to the Arizona Department of Revenue to obtain a Sales Tax Number prior to permit issuance, if you do not already have one.
Initial One	WORKMANS COMPENSATION DECLARATION
	I certify that in the performance of the work for which this permit is issued, I will not employ any person in any manner so as to become subject to the Worker's Compensation Laws of Arizona. I understand that if I become subject to the Worker's Compensation provisions of the labor code, I must comply with its provisions or this permit will be deemed revoked.
	I hereby affirm that I have a certificate of consent to self-insure, or a certificate of Worker's Compensation Insurance, or a certified copy. <input type="checkbox"/> Certified copy is hereby furnished. <input type="checkbox"/> Certified copy is filed with the City.

Signature of Property Owner: _____ **Date:** _____

CONTRACTOR LIST (For Declaration of Intent)

Permit #: _____

Contractor _____ **Type:** _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Office #: _____ Cell #: _____ Fax #: _____
Email: _____
AZ Registrar of Contractors Number: _____
Arizona Transaction Privilege Tax Number: _____
City of Bullhead City Business License Number: _____

Sub-Contractor _____ **Type:** _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Office #: _____ Cell #: _____ Fax #: _____
Email: _____
AZ Registrar of Contractors Number: _____
Arizona Transaction Privilege Tax Number: _____
City of Bullhead City Business License Number: _____

Sub-Contractor _____ **Type:** _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Office #: _____ Cell #: _____ Fax #: _____
Email: _____
AZ Registrar of Contractors Number: _____
Arizona Transaction Privilege Tax Number: _____
City of Bullhead City Business License Number: _____

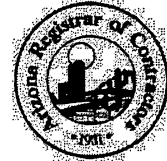
Sub-Contractor _____ **Type:** _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Office #: _____ Cell #: _____ Fax #: _____
Email: _____
AZ Registrar of Contractors Number: _____
Arizona Transaction Privilege Tax Number: _____
City of Bullhead City Business License Number: _____

Sub-Contractor _____ **Type:** _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Office #: _____ Cell #: _____ Fax #: _____
Email: _____
AZ Registrar of Contractors Number: _____
Arizona Transaction Privilege Tax Number: _____
City of Bullhead City Business License Number: _____

Sub-Contractor _____ **Type:** _____
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City: _____ State: _____ Zip: _____
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ARIZONA REGISTRAR OF CONTRACTORS



Dear Residential Owner/Builder,

The Registrar of Contractors would like to inform you of the existing laws that may affect you if you are either contemplating or in the process of performing construction on a house or residence. Arizona Revised Statutes (A.R.S.) § 32-1121(A)(5) (the "Owner/Builder Exemption") provides an exemption in Arizona's licensing law that allows residential property owners to perform the work:

- A. Themselves, OR
- B. Jointly with their own employees, OR
- C. With duly licensed contractors.

However, the Owner/Builder Exemption does not apply if the structure or group of structures, including improvements, is intended for sale or rent. As an additional requirement, the construction project must be intended for occupancy solely by the owner.

If the property owner offers the structure(s) or property for sale or rent within 1 year of completion or issuance of a certificate of occupancy, then the Owner/Builder Exemption does not apply and the property owner may be charged with contracting without a license in violation of A.R.S. § 32-1151.

A property owner that undertakes a residential construction project under the Owner/Builder Exemption should also review other applicable federal, state and local rules regarding the duties, rights, and obligations of employers and employees, as the Owner/Builder Exemption does not relieve the property owner from complying with these laws. Specifically:

- A. Most employers must have federal and state employer identification numbers and pay unemployment compensation insurance.
- B. Most employers must deduct social security and federal income taxes from an employee's pay check and file quarterly or annual reports.
- C. Owner/Builders should also determine if their homeowner's insurance policy offers sufficient liability coverage, should the worker(s) be injured while performing work on the project.

Owner/Builders should contact the appropriate governmental agencies to ascertain their obligations when employing individuals.

You should be advised if you choose to maintain your own employees, the Registrar's office may not have jurisdiction in the event you file a future complaint, in which case you may not be eligible for the residential recovery fund.

If you have questions, please contact the Registrar of Contractors office at (602) 542-1525. Thank You.



CITY OF BULLHEAD CITY

FINANCE DEPARTMENT

2355 Trane Road

Bullhead City, AZ 86442

(928) 763-9400 TDD (928) 763-9400

ARE OWNER-BUILDERS TAXED?

Under certain circumstances, owner-builders who are improving real property for themselves may or may not be the party liable for paying sales tax on the construction. A homeowner who is building his own principal residence is not normally the liable party. Each of the contractors or suppliers who provide materials and/or services are liable based on their income from the job.

However, the owner-builder may be liable for some additional tax if the property is offered for sale or sold prior to occupying the home for at least six (6) months after completion. Many Owner-Builders become Speculative Builders and are subject to tax based on the sales price of the real property.

A Speculative Builder is defined as:

1. An Owner-Builder who sells or contracts to sell, at any time, improved real property (as provided in Section 3.16-416) consisting of:
 - A. custom, model, or inventory homes regardless of the stage of completion of such homes; or
 - B. improved residential or commercial lots without a structure, or
2. An Owner-Builder who sells or contracts to sell improved real property, other than real property specified in (A) and (B) above:
 - A. prior to completion, or
 - B. before expiration of twenty-four (24) months after the improvements of the real property sold are substantially complete.

An Owner Builder who is building a commercial structure for sale is liable for tax based on the property's sales price. If the property is not sold within 24 months of the date it was completed, the tax is due on the 25th month following completion and is based on the cost of construction.

The liability for Speculative Builders occurs at the close of escrow or transfer of title, whichever occurs earlier. Certain exclusions, exemptions, and deductions may be subtracted from the gross income to arrive at the taxable income. Owner-Builders and Speculative Builders are encouraged to consult their tax professional for calculation of the tax liability.

Please contact the City of Bullhead City Finance Department at (928) 763-9400 if you have questions.