

## 2010 ARIZONA MAIN STREET AWARDS

### Promotion

### Best Promotional Activities

### Sedona

Sedona Main Street Program nominates the “Sedona Sales Tax Flow Chart” for Arizona Main Street 2010 Best Promotional Activities. The Sales Tax Flow Chart was created to clarify the many misconceptions by retailers of when and what to charge for sales tax collection in a multiple county City.

Have you ever tried to figure out what sales tax to charge someone? If not, it is certainly challenging!

There are differences in taxes due based on how your order is placed – in person, in your store, on the phone or via online. On top of that, you need to know where the merchandise is going – out the door with the customer or being shipped directly. If it’s being shipped, is it going to an Arizona address or somewhere else? And then, if you make it through answering all these questions correctly, you need to know whether your business is located in Coconino or Yavapai Counties so you can figure your tax rate properly. If that isn’t bad enough, once you think you have it down, the Arizona voters pass a tax increase and you need to update your understanding once again. Is it any wonder people are concerned they may not be doing this right?

Sedona is a tourist destination with the City’s current estimate of over 40% of sales tax revenues coming from the SMSP (Sedona Main Street Program) District, the correct collection of sales tax is vital to the sustainability of the city. And figuring out the correct formula for collection felt more like an art than science – until the SMSP Business Enhancement Committee determined there had to be a better way and invented the Sedona Sales Tax Flow Chart Card.

The Committee created two different flow charts – one for use when your order comes to you via phone or via the internet, and the second for use when the customer is in your store. The flowcharts were reviewed by the City Finance Department to verify we followed the City Sales Tax codes, the Chamber of Commerce, and then the City of Sedona sales tax auditor confirmed the validity of the information on the Sales Tax Flowchart cards.

The SMSP Business Enhancement Committee created the format of the cards including choice of graphics, and colors for ease of readability and clarity of message. The first set of 5,000 cards were ordered for \$350. The cards were distributed to key distribution points through the help of the SMSP staff and Small Area Coordinators, and the Chamber and City. Over 22 volunteers including the Program’s “Small Area Coordinators” distributed them door to door. The information was posted on SMSP’s website and public outreach sessions with other key non-profits in the area were convened to get the word (and the Sales Tax Flow Chart cards) out. Not surprisingly, many relatively heated conversations ensued about whether or not the information was correct on the cards, and folks in each discussion realized there was room for improvement in tax collection practices – exactly the hoped-for outcome.

Just when we were feeling like we were getting a handle on the situation, Arizona voters increased our sales tax rates by one percent creating the need to update and reprint the Sedona Sales Tax Flowchart Card. The reprinting was done immediately for \$250. The distribution team swung into action again, and also added the updated cards to the websites of the SMSP, Sedona Chamber of Commerce and the city.

As for the impact of \$600 and many volunteer hours, it will be hard to find a better Return on Investment.

Retail sales tax collected in FY 2009-10 for Sedona	\$2,992,754
Retail sales tax from the Sedona Main Street District estimated at 40% of total	\$1,197,101
Estimate of correct sales tax collection at 1% increase	\$11,971
Return on Investment (ROI) of \$600 investment	<b>20:1</b>

Based on the calculation above, the ROI is estimated at a whopping **20:1**, and the team expects this project will continue to provide additional benefits to the District and the city as educating retailers helps drive the correct collection of sales taxes both now and in the future. That is why we nominate the Sedona Sales Tax Flow Chart card for Arizona Main Street Best Promotional Activity.

**ARIZONA MAIN STREET AWARDS  
2010**

*Fiscal Year July1 – June 30*

**PROMOTION**

**Best Promotional Activities**

This awards looks at promotional materials and events. Promotional materials highlight the products and services that exist to enhance the image of the sense of place that Main Street provides. This includes advertising and informational resources that are developed to promote the positive image of the Main Street activities. Best Special Events help to create a positive image, encouraging people to live, work, play and shop in the Main Street district. This includes events that have occurred within the Main Street area, provided an economic impact and helped to strengthen the positive image of a vibrant Main Street.

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Role in Project: Project Leader and Partner

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Role in Project: Partner

Name and Title: Jennifer Wesselhoff, President and CEO, Sedona Chamber of Commerce  
Role in Project: Partner, Volunteer Distributor Coordinator

Name and Title: Holly Epright, Executive Director, Sedona Main Street Program  
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Name and Title: Jodie Filardo, Revenue Manager, City of Sedona  
Role in Project: Researcher, Fact Checker and Partner