



Tucson Electric Power

Tucson Electric Power Company 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 the charges for Tucson Electric Power Company (TEP) utility services. 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:

- Arizona Independent Scheduling Administrator Assessment (AZISA): an assessment of \$0.000002 per kWh effective July 01, 2014 is used to help fund the Arizona Independent Scheduling Administrator as required by the ACC. The administrator oversees the application of operating protocols to ensure statewide consistency for transmission access. This assessment is included in the net bill before other taxes, fees and assessments are calculated.
- Franchise Fee: a tax charged by the City of Tucson (2.25%), effective July 1, 2009, applied to the bill after inclusion of the AZISA Assessment and the ACC and RUCO Assessments. A franchise fee is also charged by the City of South Tucson (2.0% of the net TEP monthly bill).
- Public Utility Tax: a tax charged by the City of Tucson (5.0%), effective July 1, 2016, applied to the bill after inclusion of the AZISA Assessment and the ACC and RUCO Assessments. The Public Utility Tax shown on your bill is offset by the City of Tucson franchise fee, discussed above. If you are subject to both the franchise fee and the public utility tax, the public utility tax is 2.75% of your bill after inclusion of the AZISA Assessment and the ACC and RUCO Assessments.
- City Sales Tax: a tax charged by the cities of Tucson (2.6%), effective February 9, 2018 South Tucson (5.5%), effective October 11, 2019. Marana (4.0%), effective January 1, 2019, Sahuarita (2.0%), effective September 01, 2000 and Oro Valley (4.0%), effective August 3, 2011 is applied to the bill after inclusion of the Franchise Fee (except for the City of Tucson), the AZISA Assessment and the ACC and RUCO Assessments.
- Pima County Sales Tax: a tax charged by Pima County (0.5%) for the Regional Transportation Plan, effective July 1, 2006 (approved by Pima County voters in the May 2006 election), applied to the bill after inclusion of the Franchise Fee, the Public Utility Tax, the AZISA Assessment, and the ACC and RUCO Assessments.
- State Sales Tax: a tax charged by the State of Arizona (5.6%), effective June 01, 2013 is applied to the bill after inclusion of the Franchise Fee, the Public Utility Tax, the AZISA Assessment, and the ACC and RUCO Assessments.



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- Arizona Corporation Commission Assessment: a 0.19% fee, effective August 01, 2025, is charged to all customers, applied to the bill after inclusion of the Franchise Fee, the Public Utility Tax, the AZISA Assessment, City Sales Tax, County Sales Tax and State Sales Tax.
- Residential Utility Consumers Office Assessment (RUCO): a 0.03% fee, effective August 01, 2024, is charged to residential customers only, applied to the bill after inclusion of the Franchise Fee, the Public Utility Tax, the AZISA Assessment, City Sales Tax, County Sales Tax and State Sales Tax.

As the descriptions above indicate, there is a “tax-on-tax” impact for all of the taxes and assessments listed.



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Table 1 below illustrates the calculation of taxes and assessments for a standard TRRES residential customer living in Tucson with 4,000 kWh of electricity consumption and a pre-tax bill of \$616.52 (based on summer electric rates and including the AZISA Assessment). The \$627.36 multiplied by 2.6% yields the Tucson sales tax of \$16.31. The final bill is \$716.99 and includes \$89.63 of taxes and assessments. (The 4,000 kWh of electricity consumption used in this example is not necessarily representative of average residential TRRES consumption and is used here for illustrative purposes only.)

Table 1	AZISA \$0.000002 per kWh	Franchise Fee 2.25%	Public Utility Tax 2.75%	City Sales 2.6%	Pima Sales 0.5%	State Sales 5.6%	ACC 0.19%	RUCO 0.03%	Total
Base Taxes & Assessments	\$0.01	\$14.12	\$17.25	\$16.31	\$3.14	\$35.13	\$1.19	\$0.19	\$87.34
Franchise Fee							\$14.12	\$14.12	
Public Utility Tax							\$17.25	\$17.25	
City Sales Tax							\$16.31	\$16.31	
County Sales Tax							\$3.14	\$3.14	
State Sales Tax							\$35.13	\$35.13	
							\$85.95	\$85.95	
Franchise Fee					\$14.12	\$14.12			
Public Utility Tax					\$17.25	\$17.25			
ACC Assess.		\$1.19	\$1.19	\$1.19	\$1.19	\$1.19			
RUCO Assess.		\$0.19	\$0.19	\$0.19	\$0.19	\$0.19			
		\$1.38	\$1.38	\$1.38	\$32.75	\$32.75			
Tax-on-Tax	\$0.00	\$0.03	\$0.04	\$0.04	\$0.16	\$1.83	\$0.16	\$0.03	\$2.29
Total Taxes & Assessments	\$0.01	\$14.15	\$17.29	\$16.35	\$3.30	\$36.96	\$1.35	\$0.22	\$89.63