

Public Ruling

Navajo Sales

Tax Effective

Date

A ruling has been requested regarding the effective date of the Navajo Sales Tax. In general, the tax is calculated on a cash rather than accrual basis, in other words, when gross receipts are actually received. The tax goes into effect on April 1, and therefore applies to all amounts received after that date. However, we recognize that this may create some problems in the initial months of the tax, since there will be invoices submitted for work performed before April 1, but the payment will not be made until after April 1. Therefore, in such situations, the tax will only be due on gross receipts received for work performed after April 1. Invoices for such work will obviously be submitted after the tax has gone into effect, so there will be no confusion as to the applicability of the tax.

This ruling shall remain in effect, until withdrawn by the Office of the Navajo Tax Commission or superseded or rendered invalid by a change in statute or regulation.

If you have any questions, please contact the Office of the Navajo Tax Commission at (928) 871-7113.

Issued this 24th day of December, 2012



Martin E. Ashley, Executive Director

Office of the Navajo Tax Commission