



Arizona Department of Revenue

TPT Newsletter

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May 2024

Transaction Privilege Tax Changes and News

TPT 2023 ELECTRONIC ANNUAL ESTIMATED TAX PAYMENT

Annual estimated tax payment of transaction privilege, telecommunications services excise, and county excise taxes are required if:

- Combined tax liability for transaction privilege, telecommunications services excise, and county excise taxes in the *preceding* calendar year was \$4,100,000 or more, or
- If you reasonably anticipate a liability for such taxes of \$4,100,000 or more in the *current* year.

Deadline

The statutory due date for the annual estimated tax payment is June 20.

- When filed electronically, the annual estimated tax payment must be received by the department no later than Friday, June 28. However, in order for the department to receive an electronic payment by Friday, June 28, that payment must be electronically submitted no later than 5:00 p.m. MST (Mountain Standard Time) on Thursday, June 27. It is highly recommended to make a payment three business days before the end of the month to ensure your payment is accepted and processed into ADOR systems.

How do I calculate my payment?

There are two methods available to calculate your June estimated payment:

- One half of the actual tax liability from the month of May, or
- The actual tax liability from June 1 through June 15.

Electronic payments

- Taxpayers required to pay electronically may be subject to penalties for payments made by check or cash.
- To file and pay online, a business must be registered on [AZTaxes.gov](https://www.aztaxes.gov) and use ACH debit, e-check, or credit card as a payment method to comply with electronic funds transfer (EFT) payment requirements.

ADOR AUTO-RENEWS 2024 STATE TPT LICENSES

ADOR is sending renewal billing letters to businesses with overdue renewal fees. Renewals were due on January 1, 2024.

As of May 1, taxpayers can no longer manually renew online, but they can still pay the license fee liability at [AZTaxes.gov](https://www.aztaxes.gov). Prompt compliance online can save both time and money.

Taxpayers who have closed their business can cancel their existing Transaction Privilege Tax (TPT) license through [AZTaxes.gov](https://www.aztaxes.gov) or submit a [Business Account Update](#) form with a cancel effective date. This will ensure your account remains in good standing and avoids additional penalties and interest.

Keep your mailing addresses and account information up-to-date to ensure letters, notices, and billings go to the correct address.



(602) 255-3381 or toll-free at (800) 352-4090



www.azdor.gov



APPLY | FILE | PAY



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Please note, there is a unique address for all renewal forms, correspondence, and payments:

Arizona Department of Revenue
Attn: License and Registration
PO Box 29082
Phoenix, AZ 85038-9082

Renewal forms, correspondence, or payments sent to any other address will delay processing.

As a reminder, operating without proper licensing may be a class 3 misdemeanor.

Once a business has [renewed their TPT license](#) and *paid* the license in full, the information is validated and the new TPT license certificate is generated to be sent to the *mailing address* on file with ADOR.

TPT FILING AND PAYING

The following criteria determines which Arizona taxpayers must remit their taxes electronically:

- Withholding Tax - Any taxpayer with \$125 average quarterly liability for withholding tax during the prior tax year.
- Transaction Privilege Tax – Any taxpayer with \$500 prior tax year liability.

Penalties:

- Taxpayers required to file an electronic return will be subject to a penalty of 5% of the tax amount of payment due for filing a paper return. The minimum penalty is \$25, including filings with zero liability.
- Taxpayers required to pay electronically will be subject to a penalty of 5% of the amount of payment made by check or cash.

To file and pay online, a business must be registered on [AZTaxes.gov](#) and utilize ACH debit, e-check, or credit card as a payment method to comply with electronic funds transfer (EFT) payment requirements.

TRANSACTION PRIVILEGE TAX EMAIL NOTIFICATIONS

The Arizona Department of Revenue is implementing a new messaging feature from AZTaxes.gov. The automated email will remind transaction privilege tax (TPT) customers who fell behind on their tax obligations and may need to be prompted to file a return, pay a balance due, or renew their TPT license. Emailed messages will be sent to the email address associated with the AZTaxes.gov registration information.

Below are the circumstances a TPT customer may receive an email:

- A missed filing event such as a monthly, quarterly, or annual transaction privilege tax return.
- An unpaid balance with the Arizona Department of Revenue.
- Annual Renewal Reminder 1 - It's time to renew and the renewal link is available in AZTaxes.
- Annual Renewal Reminder 2 - An upcoming license renewal deadline is approaching.
- Annual Renewal Reminder 3 - TPT licenses were automatically renewed.

In some instances, the email will alert TPT customers to log into AZTaxes to review communication posted in the Message Center. Once the TPT customer logs into their account and accesses the message center, they will get a more detailed notification stating there is an unpaid balance on their account or that they missed a required filing event.

Our objective is to send friendly reminders to help TPT customers become compliant and more successful in the long run.





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RESIDENTIAL RENTAL TAX CHANGES

[A.R.S. § 42-6004 \(H\)](#) has been amended to prohibit a city, town, or other taxing jurisdiction from levying a transaction privilege, sales, gross receipts, use, franchise or other similar tax or fee, however denominated, on the business of renting or leasing real property for residential purposes. (Lodging spaces rented for 30 days or more). Currently, there is no state transaction privilege (TPT) or county tax imposed on residential rentals. Therefore, Arizona cities will not be able to impose a tax on residential rentals from and after December 31, 2024. The Arizona Department of Revenue (ADOR) will be issuing guidance on this in the coming months.

DUE DATE REMINDERS

TPT Filing Frequency and Due Dates*- *Monthly*

TPT filers are reminded of the following **April** TPT filing deadlines:

- **May 20** - TPT return due date
- **May 30** - Paper returns must be received by ADOR by 5:00 p.m. on this date
- **May 31** - Electronic returns must be received by ADOR by 5:00 p.m. on this date

*The electronic due date for TPT return is dependent on the return and payment being timely and filed electronically. **It is highly encouraged to pay three business days prior to the last business day of the month (May 28) to ensure your payment is accepted and processed into ADOR systems.**

TAX CHANGES

Town of Payson - *Effective date of May 1, 2024.*

On February 6, 2024, the Town of Payson passed Ordinance 964. The Town is amending the Town Tax Code to increase the transaction privilege rate from two and eighty-eight hundredths percent (2.88%) to three and eighty-eight hundredths percent (3.88%). Providing for severability; providing for penalties and declaring an emergency.

The Town does allow for a pre-existing rate under the construction contracting classification. The rate imposed on gross receipts from construction contracting shall be computed based on the rate in effect when the contract was executed.

The (3.88%) affects the following business classifications:

Advertising (**018**); Amusements (**012**); Contracting Prime (**015**); Contracting -Speculative Builders (**016**); Contracting - Owner Builder (**037**); Job Printing (**010**); Manufactured Buildings (**027**); Timber and Other Extraction (**020**); Publication (**009**); Hotels (**044**); Commercial Rental, Leasing, and Licensing for Use (**213**); Rental, Leasing, and Licensing for Use of TPP (**214**); Restaurants and Bars (**011**); Retail Sales (**017**); Retail Sales Food for Consumption (**062**); MRRRA Amount (**315**); Communications (**005**); Transporting (**006**); Utilities (**004**).

Medical and Adult Use Marijuana:

Medical Marijuana Retail Sales (**203**); Adult Use Marijuana Retail Sales (**420**); Retail Sales (Accessories/Ancillary Products) (**017**); Medical Marijuana Restaurant (**221**); Adult Use Marijuana Restaurant (**421**).

Remote Seller and Marketplace Facilitator:

Retail Sales (**605**); Retail Sales Food for Home Consumption (**606**); Marketplace Facilitators in Arizona Retail Sales (**017**); Marketplace Facilitators in Arizona Retail Sales Food for Home Consumption (**062**); Marketplace Facilitators in AZ Third Party Sales (**605**); Marketplace Facilitators in AZ Third Party Sales Food for Home Consumption (**606**).





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TPT FILING FACTS

- If you closed your business location indefinitely, you must cancel your license to avoid fees and penalties. Cancel your license on [AZTaxes.gov](https://www.aztaxes.gov) or by completing a Business Account Update form.
- After three unsuccessful attempts to log in to AZTaxes, wait 30 minutes and you will be able to try again.
- File a \$0 TPT return for temporarily closed businesses and residential rental property owners with no sales/or tax due. Go to [azdor.gov/business/transaction-privilege-tax](https://www.azdor.gov/business/transaction-privilege-tax) for more information.
- Verify the city code and name of the city/town match. Also, make sure the deduction code matches the description.
- Verify the business activity matches the business code. Also, be sure the region code and name of the region match.

EDUCATION, TUTORIALS AND TRAINING

All ADOR workshops are free of charge. Below are upcoming options available to taxpayers. To register or access online workshops, tutorials and resources, visit [azdor.gov/taxpayer-education](https://www.azdor.gov/taxpayer-education).

WORKSHOPS

ADOR Business Tax - (Via WebEx)

Wednesday, May 22, 2024

1:00 p.m. - 4:00 p.m.

Wednesday, June 5, 2024

9:00 a.m. - noon

ADOR Business Tax - (In-Person)

City of Peoria

8463 W. Monroe St.

Peoria Main Library

Peoria, AZ 85345

Thursday, May 23, 2024

9:00 a.m. - noon

ADOR AZTaxes - (Via WebEx)

Wednesday, May 29, 2024

9:00 a.m. - noon

Property Management Company - (Via WebEx)

These workshops are offered as a series and it is recommended to take them in order. Space in each class is limited so visit the [Taxpayer Education web page](#) to sign up today.

Workshop 1: Licensing and Power of Attorney

Monday, June 10, 2024

10:00 a.m. - 11:30 a.m.

Workshop 2: Engaging, Disengaging, and More

Tuesday, June 11, 2024

10:00 a.m. - 11:30 a.m.





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Workshop 3: File, Pay, Amend, and More
Wednesday, June 12, 2024
10:00 a.m. - 11:30 a.m.

ON-DEMAND TAX EDUCATION TUTORIALS: Please visit <https://azdor.gov/taxpayer-education/tpt-tutorials>.



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