



Arizona Department of Revenue

TPT Newsletter

Issue 11

Arizona Department of Revenue

November 2019

NEWS

TPT File and Pay Thresholds Changing January 2020

Beginning in January 2020, the transaction privilege tax thresholds are lowered from \$10,000 to \$5,000. Businesses with an annual TPT and use tax liability of \$5,000 or more during the prior calendar year are required to file and pay electronically. Visit <https://azdor.gov/transaction-privilege-tax-tpt> for details.

2020 TPT License Renewals

The Arizona Department of Revenue (ADOR) will be sending renewal letters to businesses in November to renew their 2020 TPT License. Prepare for annual TPT license renewals by updating your business location, name and mailing address this month. A TPT license is used for collection and remittance of state, county and city taxes. Businesses licensed with ADOR are required to renew their TPT license. For more information, visit <https://azdor.gov/transaction-privilege-tax/tpt-license/renewing-tpt-license>.

Remote Sales into Arizona

Under a new state law that took effect October 1, out-of-state businesses and marketplace facilitators that do not have a physical presence in Arizona and meet certain economic thresholds have been collecting transaction privilege tax (TPT) in Arizona.

Out-of-state sellers and marketplace facilitators that collected TPT in Arizona in October are now required to file and pay their first month of TPT to ADOR by November 20, 2019, using the AZTaxes website. For more information visit the **Out-of-State Sellers** resource page at <https://azdor.gov/transaction-privilege-tax/retail-sales-subject-tpt/out-state-sellers>

Additional Resources

The Department of Revenue's E-Commerce Compliance and Outreach (ECCO) team is ready to assist remote sellers and marketplace facilitators with filing and paying questions, as well as other inquiries. Agency specialists are also providing support to Arizona-based businesses selling into other states with similar remote seller tax requirements.

The ECCO team can be reached Monday to Friday from 8 a.m. to 5 p.m. (MST) by phone 833-293-7253 (833-AZeSale) or by email azesale@azdor.gov. Additionally, the department has a dedicated section on its website - www.azdor.gov/out-of-state-sellers - that features TPT requirements, frequently asked questions, examples, links and other information.

UPCOMING EVENTS

AZTAXES WORKSHOP

CENTRAL PHOENIX (IN-PERSON):

Friday, November 15, 2019

9:00 am - 12:00 pm

City of Glendale - Glendale Council Chambers

5850 W. Glendale Avenue

Glendale, AZ 85301

Wednesday, December 11, 2019

9:00 am - 12:00 pm

Industrial Commission of AZ - Main Lobby, First Floor

800 W. Washington Avenue

Phoenix, AZ 85007

YUMA (IN-PERSON)

Thursday, December 5, 2019

9:00 am - 12:00 pm

Arizona Western College (Downtown Center)

1351 S. Redondo Center - Room 159

Yuma, AZ 85365

EAST VALLEY (IN-PERSON)

Wednesday, December 11, 2019

9:00 am - 12:00 pm and 1:00 pm - 4:00 pm

Gilbert Public Safety Building - Amphitheater

75 E. Civic Center Drive

Gilbert, AZ 85296

BUSINESS TAX BASICS WORKSHOPS

STATEWIDE (VIA-WEBEX):

Wednesday, December 11, 2019

1:00 pm - 3:30 pm

CENTRAL PHOENIX (IN-PERSON):

Wednesday, November 20, 2019

9:00 am - 12:00 pm

Industrial Commission of AZ - Main Lobby, First Floor

1800 W. Washington Ave

Phoenix, AZ 85007

TUCSON (IN-PERSON):

Wednesday, November 20, 2019

9:00 am - 12:00 pm

Arizona Department of Revenue

400 W. Congress

Tucson, AZ 85701

PMC/RESIDENTIAL RENTAL WORKSHOPS:

STATEWIDE (VIA-WEBEX):

PMC Community Connections

Wednesday, December 18, 2019

12:00 pm - 1:00 pm

ADOR workshops cover topics such as licensing, filing and more. Visit azdor.gov/taxpayer-education for registration information.



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



www.azdor.gov

AZ Taxes.gov

APPLY | FILE | PAY



Fraud Prevention – Protecting Identities from Tax Scammers

The Arizona Department of Revenue is reminding Arizonans that scam artists don't take time off when it comes to stealing someone's identity, including card-skimming devices, access through unsecured Wi-Fi, stealing mail, hacking email accounts, phishing schemes or using false pretenses.

If a person gets a phone call from ADOR requesting additional information, you can contact the department's Customer Care Center, Local: (602) 255-3381, toll-free: (800) 352-4090, to confirm the call was in fact from an ADOR official. You may also contact the Arizona Department of Revenue's Identity Theft Call Center at (602) 716-6300, toll free: 800-352-4090, or <https://azdor.gov/individual-income-tax-information/identity-theft>.

TAX CHANGES

Mohave County

The Mohave County General Excise Tax enacted in January 2000 expires on December 31, 2019. As of January 1, 2020 the total combined rate for most transactions will be 5.6%. The rate change will affect the following classifications:

(002) Non metal Mining 3.125%, **(004)** Utilities 5.6%, **(005)** Communications 5.6%, **(006)** Transporting 5.6%, **(007)** Private Railcar 5.6%, **(008)** Pipelines 5.6%, **(009)** Publishing 5.6%, **(010)** Job Printing 5.6%, **(011)** Restaurant & Bar 5.6%, **(012)** Amusements 5.6%, **(014)** Rentals of Personal Property 5.6%, **(015)** Prime Contracting 5.6%, **(017)** Retail 5.6%, **(025)** Transient Lodging (Hotel/Motel) 5.5%, **(049)** Jet Fuel Excise Tax 3.05¢, **(315)** MRRRA 5.6%, **(325)** Online Lodging Marketplace 5.5%, **(605)** Marketplace Facilitated or Remote Retail Sales 5.6%.

Effective Date: January 1, 2020

Navajo County

On August 27, 2019 County voters approved a new Jail Tax. The tax is 0.33% as authorized in A.R.S. §48-4022. As of January 1, 2020 the total combined rate for most transactions will be 6.43%. The new tax will effect a rate change as follows:

(002) Non metal Mining 3.643%, **(004)** Utilities 6.43%, **(005)** Communications 6.43%, **(006)** Transporting 6.43%, **(007)** Private Railcar 6.43%, **(008)** Pipelines 6.43%, **(009)** Publishing 6.43%, **(010)** Job Printing 6.43%, **(011)** Restaurant & Bar 6.43%, **(012)** Amusements 6.43%, **(014)** Rentals of Personal Property 6.43%, **(015)** Prime Contracting 6.43%, **(017)** Retail 6.43%, **(025)** Transient Lodging (Hotel/Motel) 6.38%, **(049)** Jet Fuel Excise Tax 3.5563¢, **(315)** MRRRA 6.43%, **(325)** Online Lodging Marketplace 6.38%, **(605)** Marketplace Facilitated or Remote Retail Sales 6.43%.

For Prime Contractors: Any increase in the rate of tax does not apply to contracts entered into or pursuant to written bids made by prime contractors on or before August 27, 2019. To qualify for the reduced rate, the prime contractor must maintain documentation to verify the date of the contract or written bid. Gross income received from pre-existing prime contracts will be reported under Class **112**.

Effective Date: January 1, 2020





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REMINDERS

TPT Filing Frequency and Due Dates

TPT filers are reminded of the following **October 2019** TPT filing deadlines:

- **November 20** - TPT return due date
- **November 27** - Paper returns must be received by ADOR by 5 p.m. on this date
- **November 29** - Electronic returns must be received by ADOR by this date

DID YOU KNOW

- **Deduction Codes:** You can access a listing of all city deduction code changes online at <https://azdor.gov/transaction-privilege-tax/deduction-codes>.
- **Live Chat:** ADOR Live Chat is available on the www.AZDOR.gov and www.AZTaxes.gov websites, Monday through Friday, from 8 a.m. to 5 p.m.
- **Credit/Debit Card Payments:** Tax payments may be made using debit or credit cards online at AZTaxes.gov or in person at all three of its offices. Service charges apply.
- **TPT License Cancellations:** If you close your business, you must cancel your TPT license to avoid fees and penalties.
- **TPT Returns Without Payment:** Sending returns without payment generates a bill. ADOR recommends sending returns with all applicable fees/payments to avoid receiving a bill.
- **Online Lodging Marketplace:** An online lodging marketplace is any digital platform that provides, at a cost, an unaffiliated third party with a platform to rent lodging accommodations. Visit azdor.gov/transaction-privilege-tax/online-lodging-marketplace for more information.
- **Economic Nexus:** House Bill (H.B. 2757) introduced a new economic (dollar-based) nexus standard for businesses that have no physical presence in AZ. Visit <https://azdor.gov/transaction-privilege-tax/retail-sales-subject-tpt/out-state-sellers/economic-threshold> to see if your out-of-state business is required to license and file.

EDUCATION, TUTORIALS AND TRAINING

ADOR makes available online tutorials on setting up AZTaxes, new user registration, understanding location codes, filing an electronic TPT return and more. To access online tutorials and resources, visit azdor.gov/taxpayer-education.

