



Transaction Privilege Tax Changes and News

This publication is an informational notice for February 2018.

Customer Care: (602) 255-3381 or toll-free from area codes 520 or 928: (800) 352-4090

www.azdor.gov or www.AZTaxes.gov

NEWS

AVAILABLE RESOURCES

The Arizona Department of Revenue (ADOR) offers video tutorials on its website, azdor.gov, under Taxpayer Education that can help you with your TPT filing and other topics. You can also register to receive updates from the Department by email or text message. To subscribe, visit azdor.gov and click on "Get the Latest Information" icon from the right hand menu. You may opt out at any time.

TPT FILING FREQUENCY

Your transaction privilege tax (TPT) filing frequency is determined by the amount of your total estimated annual combined Arizona, county and municipal TPT liability.

- Annual - Less than \$2,000 estimated annual combined Arizona, county and municipal tax liability
- Quarterly - \$2,000 - \$8,000 estimated annual combined Arizona, county and municipal tax liability
- Monthly - More than \$8,000 estimated annual combined Arizona, county and municipal tax liability
- Seasonal - 8 months or less

If you would like to change your filing frequency, please download and complete the [Business Account Update](#) form and send to ADOR.

Your request to change your filing frequency will be completed in the next available filing period. If you wish to change from monthly to quarterly, this change will occur for the next quarter. If you wish to change to an annual frequency, this will occur in the year after your request. Please continue to file accordingly.

For example, if you complete your Business Account Update form in February 2018 and wish to change from monthly to:

- a) Quarterly - this change will occur for the April – June filing period.
- b) Annual - this change will occur for the 2019 filing period.

NOTE: Currently, this function cannot be completed online.

DUE DATE REMINDERS

For all taxpayers who elect not to file electronically, TPT returns must be received by the Department before 5:00 p.m. MST on or before the second to last business day of the month. If the return is received after the second to the last business day, the return is not timely regardless of the postmark date. This includes returns filed by mail or hand delivered to the Arizona Department of Revenue.

USING BUSINESS AND DEDUCTION CODES ON YOUR TPT RETURN

Many deduction codes can be used for several business activities, as allowed by statute or code. If a deduction claimed under a business activity is not applicable, the deduction will be disallowed.

NOTE: Taxpayers are required to use the applicable three-digit deduction codes created for allowable state and city deductions. Standardized lists of [deduction codes and business code crosswalks](#) can be found on our website, azdor.gov.

TAX TIPS

- Remember to file your TPT Return for January activity.
- Renew your 2018 Transaction Privilege Tax License today to avoid penalties.
- Take advantage of the Property Management Company (PMC) E-Filing Solution.
- Residential rental owners can direct all TPT inquiries to residentialrental@azdor.gov, or by calling (602) 716-RENT (7368).



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TAX CHANGES

CITY OF TUCSON

On Jan. 23, 2018, the Mayor and Council of the City of Tucson passed Ordinance No. 11518. This ordinance amended the City Tax Code to increase the tax rate on certain business classifications from **2.5 percent to 2.6 percent**, effectuating Propositions 202 and 203 by creating a Gene Reid Park Zoo capital improvement fund, adopting a repeal date and declaring an emergency.

Effective Mar. 1, 2018 and ending Dec. 31, 2027, the tax rate for the following business classifications will increase from **2.5 percent to 2.6 percent**:

Amusement (Business Code **TU 012**); Contracting-Prime (**TU 015**); Contracting-Speculative Builder (**TU 016**); Contracting – Owner Builder (**TU 037**); Job Printing (**TU 010**); Manufactured Buildings (**TU 027**); Timbering and Other Extraction (**TU 020**); Publication (**TU 009**); Commercial Rental, Leasing & Licensing for Use (**TU 213**); Rental, Leasing & Licensing for Use of TPP (**TU 214**); Restaurant and Bars (**TU 011**); Retail Sales (**TU 017**); MRRRA Amount (**TU 315**); Communications (**TU 005**); Transporting (**TU 006**); Utilities (**TU 004**); Use Tax Purchases (**TU 029**); Use Tax From Inventory (**TU 030**).

CITY OF SEDONA

On Jan. 9, 2018, the Mayor and Council of the City of Sedona passed Ordinance No. 2018-01. This ordinance amended the City Tax Code by increasing the City Transaction Privilege Tax, temporarily increasing the rate of taxation from **3 percent to 3.5 percent**; providing for a repeal of any ordinance or parts of ordinances or code provisions in conflict herewith; providing penalties for the violation thereof; providing for severability, and designating an effective date and making provision for existing contacts.

Effective Mar. 1, 2018, the tax rate for the following business classifications will increase from **3 percent** to a rate of **3.5 percent**:

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