



# Transaction Privilege Tax Changes and News

This publication is an informational notice for June 2018.

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

[www.azdor.gov](http://www.azdor.gov) or [www.AZTaxes.gov](http://www.AZTaxes.gov)

## NEWS

### **Business Workshops in Tucson**

The Arizona Department of Revenue (ADOR)'s Southern Regional Office is hosting a series of Business Tax Workshops. These workshops will highlight transaction privilege tax basics.

The topics of the workshop include licensing and reporting, location-based reporting, tax rates, exemption certificates, exemptions and deduction codes, added tax vs. tax factoring and calculating and reporting tax.

Taxpayers interested in registering for one of these workshops can visit [azdor.gov/taxpayer-education/calendar-events](http://azdor.gov/taxpayer-education/calendar-events) to see a listing of dates and times, and can register at [Eventbrite](https://www.eventbrite.com).

For more information, please contact [EandCO Outreach@azdor.gov](mailto:EandCO Outreach@azdor.gov).

### **TPT 2018 Electronic Annual Estimated Tax Payment Reminder**

#### **Why is an annual estimated tax payment due?**

Annual estimated tax payment of transaction privilege (TPT), telecommunication services excise and county excise taxes are required if:

- Combined tax liability for transaction privilege, telecommunication services excise and county excise taxes in preceding calendar year was \$1,000,000 or more.
- Or, if you reasonably anticipate a liability for such taxes of \$1,000,000 or more in the current year.

#### **What Arizona law requires this estimated tax payment and why must it be paid electronically?**

Arizona Revised Statute section 42-5014.D requires an estimated tax payment if a taxpayer's actual combined tax liability for transaction privilege, telecommunication services excise and county excise taxes in the preceding calendar year was \$1,000,000 or more, or if the taxpayer can reasonably anticipate a liability for such taxes of \$1,000,000 or more in the current year.

#### **When is the due date for this payment?**

The statutory due date for the annual estimated tax payment is June 20. When filed electronically via [www.AZTaxes.gov](http://www.AZTaxes.gov), it must be received by the department no later than Friday, June 29. However, in order for the Department to receive an *electronic* payment by Friday, June 29, that payment must be electronically submitted no later than 5:00 p.m. MST (Mountain Standard Time) on Thursday, June 28.

#### **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.

#### **Using [www.AZTaxes.gov](http://www.AZTaxes.gov) to make your EFT payment**



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You must be registered to use AZTaxes.gov and make your TPT estimated tax payment electronically. Be sure to select "YES" for "This is a June Estimated Payment", to ensure your payment is processed accurately.

## **TPT Filing Frequency**

Your 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.

**If there are delinquencies on your business account, the filing frequency cannot be changed.**

## **Monthly TPT Filers: Please Submit Returns**

ADOR reminds monthly transaction privilege tax filers that returns are due.

Taxpayers can avoid the worry and hassle of mailing a return by using AZTaxes.gov, which is readily available, including nights and weekends. Our online filing and paying service is free, fast and easy, and allows for payments to be scheduled up until the second to the last business day.

To be in compliance with state law, TPT taxpayers must file a return by its due date, even if no tax is due for the filing period.

State law requires taxpayers to file and pay electronically when they have multiple business locations, or a business had a total annual combined state, county and municipal TPT liability of \$20,000 or more in 2017.



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## **Filing a TPT Return**

Centralized reporting and paying makes it easier to file **one return** per ADOR transaction privilege tax license. **Do not submit separate city returns for current activity.**

We strongly encourage taxpayers to file online via the AZTaxes.gov website for faster processing and fewer errors. Taxpayers who file electronically during a calendar year are now able to claim an increased accounting credit from 1 percent to 1.2 percent. This increases the total calendar year credit limit from \$10,000 to \$12,000. For more information, visit [azdor.gov](http://azdor.gov).

## **TAX TIPS**

- Remember to file your TPT return for May activity.
- Check out TPT topics and updates on ADOR's new and improved website at [azdor.gov](http://azdor.gov).
- If your business is adding a location to an existing license, file a Business Account Update online, not a new Joint Tax Application.
- One of the most useful tools for TPT filers is the [TPT Tax Rate Table](#). We update the table monthly with changes highlighted.
- To ensure your TPT payment is posted to your account, you must include your TPT license number, return period, & location code on the check.
- If you closed your business, you must cancel your license to avoid fees and penalties.
- Remember to click "Submit" when submitting a TPT return on AZTaxes. Clicking "Save" does not submit your return.

## **TAX CHANGES**

### **CITY OF TUCSON**

On May 22, 2018, the Mayor and Council of the City of Tucson passed Ordinance No. 11550, which amended the City Tax Code to reduce fees on recreation vehicle campers that currently met the definition of hotels. The fee was reduced from \$2 per night to \$0 per night for the RV parks only; providing penalties for the violation thereof; providing for severability; designating an effective date; and designating an ending date.

**Effective Aug. 1, 2018**, this change decrease RV Bed Surtax Tax, **Business Code 235**, to \$0.00.