



Transaction Privilege Tax Changes & News

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

Visit us at www.azdor.gov or www.AZTaxes.gov

This publication is an informational notice for April 2019

NEWS

Residential Rental Information

Every residential rental property owner is required to obtain an Arizona transaction privilege tax (TPT) license from the Arizona Department of Revenue (ADOR) for each location where residential rental income is taxable. This applies regardless if the owner rents the property themselves or employs a property management company.

ADOR has a dedicated hotline and email address for residential rental taxpayers with questions about TPT filing and payment.

- Phone: 602-716-RENT (7368)
- Email: ResidentialRental@azdor.gov

For more information on residential rental guidelines visit www.azdor.gov/transaction-privilege-tax/residential-rental-guidelines.

Additionally, ADOR offers residential rental education and training workshops on how to file and pay taxes in Arizona. For a list of upcoming workshops visit www.azdor.gov/taxpayer-education.

TPT Electronic Filing and Paying

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

- Withholding Tax - Any taxpayer with \$2,500 average quarterly liability for withholding tax during the prior tax year.
- Corporate Estimated Tax - Any corporation with \$10,000 prior tax year liability.
- Transaction Privilege Tax - Any taxpayer with \$10,000 prior tax year liability.

Penalties:

- Taxpayers required to file an electronic return will be subject to a penalty of 5 percent of the tax amount 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 percent of the amount of payment made by check or cash.

Benefits

- Faster processing and fewer errors.
- Strengthens fraud prevention measures.
- Saves money - taxpayers filing electronically are eligible to receive up to \$2,000 reduction of tax due because of the enhanced accounting credit.

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. For more information on electronic filing penalties and benefits visit www.azdor.gov/news-events-notices.

REMINDERS

TPT Filing Frequency and Due Dates

TPT filers are reminded of the following monthly and quarterly TPT filing due dates:

- April 22 - TPT monthly, quarterly or annual return due date
- April 29 - Paper returns must be received by ADOR by this date
- April 30 - Electronic returns must be received by ADOR by this date

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 complete and return the [Business Account Update form](#). Please visit www.azdor.gov for a due dates schedule and for help determining filing and payment deadlines.

Renewals

ADOR reminds TPT companies that renewals were due Jan. 1, 2019, the penalty is 50 percent of the city renewal fee and depending on the business activity, operating without proper licensing is a class 3 misdemeanor.

Taxpayers no longer in business can cancel their existing TPT license through AZTaxes.com.

TAX CHANGES

Town of Superior

On April 12, 2018, the Mayor and the Council of the Town of Superior passed Ordinance No. 18-144 which amended the Superior Tax Code by adding Hotel/Motel (Additional Tax) (Business Code: 144) at four percent (4%).

Effective June 1, 2019, the rate that will change per Ordinance No. 18-144 is as follows:

- Hotel/Motel (Additional Tax) (SI 144)

City of Yuma

The Mayor and the Council of the City of Yuma passed Ordinance No. O2019-013 which amends the City of Yuma Tax Code by adding Wastewater Utility Services (Business Code: 485) at one and seven-tenths percent (1.7%).

Effective June 1, 2019, the rate that will change per Ordinance No. O2019-013 is as follows:

- Wastewater Utility Services (YM 485)

WORKSHOPS AND TRAINING

Business Tax Basics Workshops

ADOR invites you to attend an upcoming business tax basics workshop designed to provide additional learning and understanding of TPT requirements. Workshop topics include: licensing and reporting, location based reporting, tax rates, exemption certificates, exemptions and deduction codes, added tax versus tax factoring, TPT versus use tax, and calculating and reporting tax. Workshops are available in person and by WebEx. For dates and to register for an upcoming workshop, visit www.azdor.gov/taxpayer-education/upcoming-events.

TPT Tutorials

Are you looking for training for filing and paying your business TPT but unable to attend a workshop? 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 visit www.azdor.gov/taxpayer-education.

TPT TAX TIPS

- Remember to file your TPT return for March activity.
- For faster processing, **do not staple** your return or any documents, payments or forms to your return.
- Businesses with an annual TPT and use tax liability of \$10,000 or more during the prior calendar year are required to file and pay electronically.
- Businesses with more than one location are required to file electronically.
- The tax rate tool is a useful tool for TPT filers in helping them find the TPT rates for any location within the state of Arizona.
- Business taxpayers can log into their AZTaxes account, click on "View" in the "Actions" column on the "Business List" page and click on "Account Update" to change mailing address, location, "Doing Business As" (DBA) or to close an account for TPT or withholding and to add new reporting jurisdictions.
- File your TPT return, even if your business didn't make any taxable sales or purchases.
- If you closed your business, you must cancel your license to avoid fees and penalties.