



Arizona Department of Revenue

TPT Newsletter

Issue 7

Arizona Department of Revenue

July 2019

NEWS

TPT General

Transaction privilege tax (TPT) is a gross receipts tax levied on businesses by the State of Arizona for the privilege of conducting business in the state. Under transaction privilege tax, the Arizona Department of Revenue (ADOR) is the single point of administration and collection of state and city taxes for all business and residential rental owners in Arizona.

TPT Electronic Filing and Paying

Under certain circumstances, businesses are **required** to file and pay electronically. The following criterion determines which Arizona taxpayers must remit 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.

E-filing and paying online saves money for taxpayers because e-filing makes them eligible to receive up to a \$2,000 annual reduction of tax due to the enhanced accounting credit. Taxpayers required to file an electronic return will be subject to a penalty of 5% of the tax amount due for filing a paper return. Under recent legislation, all late filing penalties will be a minimum of \$25, including filings with zero liability.

ONLINE LODGING MARKETPLACE

Online Lodging Marketplace

Online lodging marketplaces (OLMs) are required to register to file and pay on all online lodging transactions with the department. An online lodging marketplace is any digital platform that provides, at a cost, an unaffiliated third party with a platform to rent lodging accommodations.

Please visit azdor.gov/transaction-privilege-tax/online-lodging-marketplace for more information on OLM guidelines, reporting transactions, and exemption certificates.

TAX CHANGES

City of Scottsdale

On June 11, 2019, the Mayor and Council of the City of Scottsdale passed Ordinance No. 4403 electing Local Option QQ. Local Option QQ in Section 465 of the Model City Tax Code allows a Retail Transaction Privilege Tax Exemption for sales of fine art to out of state customers. The provisions of this Ordinance conforms to the Model City Tax Code, which is controlling.

This change has an effective date of May 1, 2017 (**retroactive allowed**).

UPCOMING EVENTS

BUSINESS TAX BASICS WORKSHOPS

STATEWIDE (VIA-WEBEX)

Thursday, July 11, 2019, 1- 3:30 p.m.

Wednesday, Aug. 7, 2019, 1-3:30 p.m.

EAST VALLEY (IN-PERSON):

Wednesday, July 24, 2019, 9-11:30 a.m.

City of Mesa, 20 East Main Street, Room 170, Mesa AZ 85201

Wednesday, Aug. 14, 2019, 9- 12 p.m.

Gilbert Public Safety Building

75 E. Civic Center Dr. Gilbert, AZ 85296

WEST VALLEY (IN PERSON):

Thursday, July 25, 2019, 8:30 - 11:30 a.m.

City of Glendale

Glendale Council Chambers

5850 W. Glendale Avenue, Glendale, AZ 85301

Thursday, Aug. 22, 2019, 8:30 - 11:30 a.m.

City of Glendale

Glendale Council Chambers

5850 W. Glendale Avenue, Glendale, AZ 85301

CENTRAL PHOENIX (IN-PERSON):

Wednesday, July 17, 2019, 9 - 12 p.m.

Industrial Commission of Arizona, Main Lobby - 1st Floor, 800 W.

Washington Avenue, Phoenix, AZ 85007

Wednesday, Aug. 21, 2019, 9 - 12 p.m.

Industrial Commission of Arizona, Main Lobby - 1st Floor, 800 W.

Washington Avenue, Phoenix, AZ 85007

ADOR workshops are free of charge and 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



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City of Flagstaff

The Mayor and the Council of the City of Flagstaff approved Ordinance No. 2019-013 to increase Use Tax Purchases (029) and also Use Tax From Inventory (030) to 2.281%.

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

- Use Tax Purchases (FS - 029)
- Use Tax From Inventory (FS -)30)

PROPERTY MANAGEMENT COMPANIES

All owners of taxable property engaging the service of a property management company (PMC) are required to obtain a TPT and use tax license, regardless of the owner engaging a property manager or other broker to oversee the owner's business activity, including filing tax returns on behalf of the owner. A PMC must obtain a successful PMC registration to have access to the AZTaxes.gov Residential Rental E-Solution for PMCs. There is no associated fee, renewal, or filing obligation for a **PMC registration license**.

ADOR makes available dedicated Resources for Residential Rental and Property Owners

Email:

- Residential rental property owners - ResidentialRental@azdor.gov.
- Property management companies - PMCData@azdor.gov.

Phone

- Dedicated hotline of (602) 716-RENT (7368).

Training and Information Sharing Sessions

- PMC Community Connections (WEBEX) Wednesday, July 24, 2019, 12:00pm – 1:00pm
- Residential Rental Workshop (In-Person) Wednesday, August 14, 2019, 9 a.m. - 11:30 a.m.
City of Mesa, 20 East Main Street, Room 170, Mesa AZ 85201

Visit azdor.gov/taxpayer-education for additional details and registration information.

REMINDERS

TPT Filing Frequency and Due Dates

TPT filers are reminded of the following June 2019 TPT filing deadlines:

- July 22 - TPT return due date
- July 30 - Paper returns must be received by ADOR by 5:00 p.m. on this date
- July 31 - Electronic returns must be received by ADOR by this date

Other Reminders

- Even if your business didn't make any taxable sales or purchases, **you still need to file your TPT return.**
- The [TPT and Use Tax Rate Look-Up Tool](#) is a useful resource that helps TPT filers find TPT rates for any location within the state of Arizona.
- Sending returns without payment generates a bill. Send returns with all applicable fees and payments to avoid receiving a bill.

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.

