



Transaction Privilege Tax Changes and News

This publication is an informational notice for December 2017.

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

TPT LICENSE RENEWAL COUNTDOWN

In November, the Arizona Department of Revenue (ADOR) sent out Transaction Privilege Tax (TPT) license renewal letters to every business licensed with ADOR. As a reminder, the due date to renew a TPT license is Jan. 1, 2018.

TPT licenses are valid for one calendar year, January 1 – December 31. Taxpayers are encouraged to register and file online, and businesses with more than one location must renew online, at AZTaxes.gov for easier renewals and faster processing. Businesses with single locations should have received a paper form by mail.

After registering an account, business owners can update account information. Please allow up to four hours for the account update and application to go into effect. The account must have up-to-date information before a license is renewed.

PROPERTY MANAGEMENT COMPANIES E-FILING SOLUTION

ADOR encourages property management companies (PMCs) to register now for the new Bulk Upload E-Filing Solution for the January 2018 filing period.

PMCs will no longer be able to report and remit transaction privilege tax (TPT) using their own TPT license on behalf of client property owners starting with the January 2018 reporting period. All taxes must be filed and remitted using individual property owners' TPT licenses.

In order to participate in the new E-Solution, PMCs must complete the Property Management License Application. Additionally, a PMC can complete the bulk upload by either importing client TPT information in CSV or Excel file format, or by entering the information manually.

For more information, visit our [dedicated webpage](#), which provides PMCs and residential rental property owners with resources on licensing requirements, a step-by-step guide on TPT licensing and other information regarding residential rental transaction privilege tax.

DECEMBER 2017 TPT TAX RATE TABLE

The TPT Tax Rate Table is available [here](#). TPT and Other Tax Rate Tables offer combined state TPT and piggybacking county excise tax rates, city TPT rates for all cities and other business taxes and rates reported on Forms TPT-2 or TPT-EZ.

These tables also provide region codes for counties, cities and other reporting districts. Region codes ensure that both income and deduction codes are reported in the taxpayer's appropriate county, city or other jurisdiction.

FINAL TPT FILING DEADLINES FOR 2017

The TPT return for November's activity is due Dec. 20. Electronic payments must be submitted by 5 p.m. MST on the business day before the last business day of the month to ensure timely receipt. Paper returns must be received by Dec. 28, and electronic returns must be received by Dec. 29.

A TPT Return must be submitted even if no taxes are due. We strongly encourage taxpayers to file and pay online via AZTaxes.gov for faster processing and fewer errors.

TAX TIPS



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- Sign up today for PMC E-Filing Solution.
- Remember to file your TPT Return for November activity.
- Update your business account information on AZTaxes.gov now for an easier 2018 Transaction Privilege Tax License renewal.
- Residential rental owners can direct all TPT inquiries to residentialrental@azdor.gov, or by calling (602) 716-RENT (7368).

TAX CHANGES

CITY OF APACHE JUNCTION

On Sept. 19, 2017, the Council of Apache Junction passed Ordinance No. 1449, which amends the City of Apache Junction Tax Code Section 320 by reducing the transaction privilege and use tax license fee from **\$50** to **\$2**; establishing an effective date; providing penalties for violations; and providing for severability.

Effective Dec. 2, 2017, the license fee will decrease from **\$50 to \$2**.

CITY OF CHANDLER

On Oct. 19, 2017, the City Council of Chandler passed Ordinance No. 4775, which amends the City of Chandler Tax Code Section 62-320 by reducing the license fee, annual renewal and renewal fees from **\$50 to \$2**; all relating to City of Chandler regulations specifically encompassing the licensing and registration of businesses; providing for the repeal of conflicting ordinances, and providing for severability.

This change has an effective date of **Jan. 1, 2018**.

CITY OF PRESCOTT

On Sept. 12, 2017, the majority of qualified voters in the City of Prescott approved Proposition 443, adopting a transaction privilege tax increase of three-quarters of one percent.

Subsequently, on Nov. 14, 2017, the Mayor and Council of the City of Prescott passed Ordinance No. 5048-1588. Ordinance No. 5048-1588 amended the City Tax Code by increasing the City Transaction Privilege Tax and Use; increasing the rate of taxation from **two percent (2%)** to a rate of **two and three quarters percent (2.75%)**; providing penalties for the violation thereof; providing for severability, and designating an effective date and making provisions for existing contacts.

Effective Jan. 1, 2018, the tax rate for the following business classifications will increase from **two percent** to a rate of **two and three quarters percent**:

Advertising (Business Code **PR 018**); Amusements (**PR 012**); Contracting – Prime (**PR 015**); Contracting – Speculative Builder (**PR 016**); Contracting – Owner Builder (**PR 037**); Feed at Wholesale (**PR 116**); Job Printing (**PR 010**); Manufactured Buildings (**PR 027**); Timbering and Other Extraction (**PR 020**); Publication (**PR 009**); Hotels (**PR 044**); Residential Rental, Leasing & Licensing for Use (**PR 213**); Rental, Leasing & Licensing for Use of TPP (**PR 214**); Restaurants and Bars (**PR 011**); Retail Sales (**PR 017**); Retail Sales Food for Home Consumption (**PR 062**); MRRRA Amount (**PR 315**); Communications (**PR 005**); Transporting (**PR 006**); Utilities (**PR 004**); Use Tax Purchases (**PR 029**); Use Tax From Inventory (**PR 030**).



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PIMA COUNTY

On Nov. 7, 2017, the Pima County Stadium District passed Resolution 2017-SD-2, terminating the levy of the Recreational Vehicle Spaces Surcharge.

Effective Jan. 1, 2018, the Recreational Vehicle Surcharge (RV Surcharge) collected under business code 023 at a rate of \$0.50 per day on each lease or rental of a parking space for recreational vehicles will no longer be imposed.