



# Transaction Privilege Tax Changes and News

This publication is an informational notice for March 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

### **TPT License Renewals**

#### **REMEMBER to Renew Your TPT license with the Arizona Department of Revenue!**

If you have not renewed your TPT license for 2018, the Arizona Department of Revenue (ADOR) will be sending you a renewal billing letter. Businesses will receive one renewal notice per license from ADOR, regardless of where the business is located. This renewal letter indicates if the business has overdue renewal fees. After renewal fees have been paid, the Department will mail the new TPT license.

As a reminder, many businesses are required to be licensed for TPT. Businesses required to register for TPT prior to operating, but do not do so, may be subject to penalties. Operating without proper licensing may be a class 3 misdemeanor.

If you are no longer in business, please cancel your existing TPT license through [AZTaxes.gov](http://AZTaxes.gov) or by submitting a Business Account Update form with a cancel effective date. This will ensure your account history remains in good standing.

You can also update information online to assist for future renewals. AZTaxes business account update features include: changing the mailing address on corporate, withholding and TPT and use tax licenses; add, edit and/or close locations for TPT licenses; and close accounts for withholding or TPT licenses. It may take up to four hours for you to see the changes to the account(s).

We encourage business owners to register and pay the renewal fees on [AZTaxes.gov](http://AZTaxes.gov). For more information, visit [www.azdor.gov/TransactionPrivilegeTax\(TPT\)/LicenseRenewal](http://www.azdor.gov/TransactionPrivilegeTax(TPT)/LicenseRenewal).

### **Quarterly Filer TPT Return Due**

If you are a quarterly TPT filer, your January to March activity is due on your March return, filed in April. Remember you must file a return for each tax period even if no tax is due and/or no sales were made. We strongly encourage taxpayers to file and pay online via [AZTaxes.gov](http://AZTaxes.gov) for faster processing and fewer errors.

### **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.



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## **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 ADOR.

## **TAX TIPS**

- Remember to file your TPT return for February 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](mailto:residentialrental@azdor.gov), or by calling (602) 716-RENT (7368).
- Your AZTaxes password must contain at least one number, one letter and one special character and must be 8 to 16 characters long.
- If you closed your business, you must cancel your license to avoid fees and penalties.

## **TAX CHANGES**

### **CITY OF TUCSON**

**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**. 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, effectuating Propositions 202 and 203 by creating a Gene Reid Park Zoo capital improvement fund, adopting a repeal date and declaring an emergency.

The business classifications are as follows: 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**); MRRA 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**

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

The business classifications are as follows: 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**); MRRA Amount (**SE 315**); Communications (**SE 005**); Transporting (**SE 006**); Utilities (**SE 004**).

### **PINAL COUNTY**

Pinal County has proposed a TPT rate change, which is currently subject to litigation. For more information, please go to <https://www.azdor.gov/News/tabid/74/newsid530/846/Notice-from-the-Arizona-Department-of-Revenue/Default.aspx>