



Arizona Department of Revenue

TPT Newsletter

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[September 2024](#)

Transaction Privilege Tax Changes and News

NEW TPT LICENSE REQUIREMENT RULE FOR PERSONS UNDER 19

Effective September 14, 2024, persons under the age of 19 may operate a business without a transaction privilege tax (TPT) license if that business does not generate more than \$10,000 in gross income in a calendar year. See [Arizona Revised Statutes \(A.R.S.\) § 42-5045](#).

Additionally, persons under the age of 19 and who operate a business occasionally, are not required to have any type of license or permit for business for city and county purposes. Please reach out directly to the relevant city or county with business license or permit questions.

If a person under the age of 19 is currently operating a business with a TPT license (with an adult included on the license) and the business does not generate more than \$10,000 in gross sales per year, then the license may be canceled after September 14, 2024 with the effective periods starting October 1, 2024. Please ensure that returns are filed based on the filing frequency assigned at the time of registration. If a filing is missed or a final return is not filed prior to cancellation of the TPT license, then penalties and interest may accrue. See instructions on how to [cancel a TPT license](#).

ADOR BEGINS EMAIL TRANSACTION PRIVILEGE TAX NOTIFICATIONS

The Arizona Department of Revenue (ADOR) is now sending automated emails through AZTaxes.gov to help customers become more compliant and successful in the long run. The automated email reminds transaction privilege tax (TPT) customers who have fallen behind on their tax obligations to file a return, pay a balance due, or renew their TPT license. Emailed messages are sent to the email address associated with the AZTaxes.gov registration information.

Below are the circumstances a TPT customer may receive an email:

- A missed filing event such as a monthly, quarterly, or annual transaction privilege tax return.
- An unpaid balance with the Arizona Department of Revenue.
- Annual Renewal Reminder 1 - It's time to renew with the renewal link available in AZTaxes.
- Annual Renewal Reminder 2 - An upcoming license renewal deadline is approaching.
- Annual Renewal Reminder 3 - A TPT license has been automatically renewed.

In some instances, the email alerts TPT customers to log into AZTaxes to review a communication posted in the Message Center. However, email messages from ADOR will never ask for confidential information (social security number, employee identification number, bank account information, etc.) or login credentials. Once the TPT customer logs into their account and accesses the message center, they will see a more detailed notification stating there is an unpaid balance on their account or that they missed a required filing event.



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APPLY | FILE | PAY



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RESIDENTIAL RENTAL TAX CHANGES

ADOR is informing property management companies and residential rental property owners of upcoming changes to Arizona tax law for residential rental properties. Starting January 1, 2025, residential rental property owners should no longer collect and remit any city transaction privilege tax (TPT) on the income derived from long term lodging stays of 30 days or more to ADOR. ([Laws 2023, Chapter 204](#) and [A.R.S. § 42-6004 \(H\)](#))

Residential rental - business code 045 - is the rental of real property for a period of 30 or more consecutive days for residential purposes only and not commercial.

Currently, there is no state or county tax imposed on residential rentals, and the upcoming change to the tax law will eliminate the city tax. While there will no longer be a city TPT obligation beginning January 1, 2025, this does not affect the obligations to register the property with the county assessor to comply with landlord tenant laws or other compliance requirements from government entities.

Please note hotel, motel, or other transient lodging businesses which book stays for fewer than 30 days must still collect and remit TPT under the transient lodging or hotel classification.

For more information on this change and frequency asked questions, please visit azdor.gov/business/residential-rental.

DUE DATE REMINDERS

TPT Filing Frequency and Due Dates*- *Monthly*

TPT filers are reminded of the following **August** TPT filing deadlines:

- **September 20** - TPT return due date
- **September 27** - Paper returns must be received by ADOR by 5:00 p.m. on this date
- **September 30** - Electronic returns must be received by ADOR by 5:00 p.m. on this date

*The electronic due date for TPT return is dependent on the return and payment being timely and filed electronically. **It is highly encouraged to pay three business days prior to the last business day of the month (September 25) to ensure your payment is accepted and processed into ADOR systems.**

TAX CHANGES

Town of Queen Creek Special Taxing District - *Effective date of October 1, 2024*

On June 5, 2024, the Town of Queen Creek passed ordinance 839-24 thereby repealing the additional one quarter percent (.25%) taxation rate over the rate of taxation on designated sales activities inside the town center as adopted in ordinance 402-07; amending the town tax code and town code as necessary.

The (.25%) affects the following business classifications:

Amusement **(012)**; Job Printing **(010)**; Publication **(009)**; Hotels **(044)**; Restaurant and Bars **(011)**; Retail Sales **(017)**; Retail Sales Food for Consumption **(062)**; MRRRA Amount **(315)**; Communications **(005)**; Transporting **(006)**; Utilities **(004)**.

Medical and Adult Use Marijuana:

Medical Marijuana Retail Sales **(203)**; Adult Use Marijuana Retail Sales **(420)**; Retail Sales (Accessories and Ancillary Products) **(017)**; Medical Marijuana Restaurant **(221)**; Adult Use Marijuana Restaurant **(421)**.





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Remote Seller and Marketplace Facilitators:

Retail Sales **(605)**; Retail Sales Food for Home Consumption **(606)**; Marketplace Facilitators in Arizona Retail Sales **(017)**; Marketplace Facilitators in Arizona Retail Sales Food for Home Consumption **(062)**; Marketplace Facilitators in AZ Third Party Sales **(605)**; Marketplace Facilitators in AZ Third Party Sales Food for Home Consumption **(606)**.

City of Surprise - *Effective dates of October 1, 2024 and January 1, 2025*

On June 4, 2024, the City of Surprise passed ordinance 2024-09 increasing the tax rate from two and two-tenths percent (2.2%) to two and eight-tenths percent (2.8%) on specified classifications effective October 1, 2024, and decreasing the tax rate to zero on rental occupancy tax and residential rentals effective January 1, 2025. There is a provision for pre-existing contract rates.

The (2.8%) affects the following business classifications:

Advertising **(018)**; Amusements **(012)**; Feed for Wholesale **(116)**; Job Printing **(010)**; Manufactured Buildings **(027)**; Timbering and Other Extraction **(020)**; Publication **(009)**; Hotels **(044)**; Commercial Rental, Leasing, and Licensing for Use **(213)**; Rental Leasing and Licensing for Use of TPP **(214)**; Retail Sales **(017)**; MRRRA **(315)**; Communications **(005)**; Transporting **(006)**; Utilities **(004)**; Use Tax Purchases **(029)**; Use Tax from Inventory **(030)**.

Medical and Adult Use Marijuana:

Medical Marijuana Retail Sales **(203)**; Adult Use Marijuana Retail Sales **(420)**; Retail Sales (Accessories/Ancillary Products) **(017)**.

Remote Seller and Marketplace Facilitator:

Retail Sales **(605)**; Marketplace Facilitators in Arizona Retail Sales **(017)**; Marketplace Facilitators in AZ Third Party Sales **(605)**.

The (0.0%) affects the following business classifications:

Residential Rental, Leasing, and Licensing for Use **(045)**; Rental Occupancy **(040)**.

TPT ACCOUNT UPDATES

Did you close a location or change the mailing address of your business?

Renewal season is coming and businesses should submit any necessary updates before November to ensure their account is in good standing for a smooth renewal process.

On [AZTaxes.gov](https://www.aztaxes.gov), taxpayers can do the following:

- Change their mailing address on corporate, withholding, and transaction privilege and use tax licenses.
- Add, edit, and/or close locations for TPT licenses.
- Cancel or close an existing TPT license or single location on a TPT license.
- Close an account for withholding or TPT licenses.
- Make changes to a "Doing Business As" (DBA) name or the business mailing address.
- Add a new reporting jurisdiction, business code, or business or rental location.

[AZTaxes.gov](https://www.aztaxes.gov) enables registered businesses to update their accounts, but they must have an e-signature PIN to make changes.

Taxpayers can also download and submit a [Business Account Update Form](#) to the Arizona Department of Revenue (ADOR) to update primary users or any of the previously stated changes.



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FILE ONLINE FOR QUICKER PROCESSING

When taxpayers file electronically, they receive many benefits and are in compliance.

- It's EASIER, it's FASTER, and it's THE LAW for businesses with \$500 or more annual tax liability.
- It is free to file a return; free for e-check payments (Fees apply with debit/credit card).
- TPT filers are able to claim an accounting credit of 1.2 percent of the tax due, up to a maximum credit of \$12,000, during a calendar year when filing all returns electronically.
- After a payment or return is submitted, filers receive a confirmation number that can be provided to customer service when inquiring about the return or payment.
- Reduced errors with automatic calculations. Input the figures and AZTaxes does the rest.
- Access to electronic payment history and status as early as your first payment.
- Make scheduled payments online so the return is done and the payment is withdrawn later. No need for paper checks.

If you are unable to pay online, follow these simple steps to ensure your payment is applied to your account.

1. Address the payment to the Arizona Department of Revenue.
2. In the memo, write your license number and filing period.
3. Submit your paper check with the original return or a payment voucher. If you filed electronically, send a voucher, **not** a copy of the return.

Note: ADOR will process your check and withdraw the money from your account even if you do not properly indicate your business information. ADOR will research and attempt to connect the payment to the business. If not successful, the payment will be held in a general fund account until it is properly identified for your business and the time period. ADOR legally cannot mail the check back in case of incorrect address on check and prevent fraud.

PRIMARY USER AND DELEGATE ACCESS UPDATE GUIDANCE

Did your primary user leave the company or did you get rid of the email address that is used to log into AZTaxes? No problem. **The Arizona Department of Revenue recommends that the primary user is an officer/owner of the business, then delegate access to others if needed.** This reduces the chance of losing access to your account and rushing to update information before the due date.

A **Primary User** maintains the entire online account and provides access to delegate users. There can only be one Primary User for each account. *For help authorizing access for delegates, [view our tutorial](#).*

A **Delegate User** is given specific authority for business account functions by the Primary User. This type of user can be a CPA, paid preparer, office manager, additional officer/owner of the company, etc. *For help requesting delegate access, [view our tutorial](#).*

To change the Primary User, you will need to complete a [Business Account Update Form](#); and you must enroll to file and pay on www.AZTaxes.gov. **NOTE: DO NOT use the Business Account Update Form for delegates/additional users. Please contact the primary user for changes to delegate access.**

1. The company will need to register as a new user. See [Account Setup](#) for assistance.
2. Once registered, you will need to complete a paper [Business Account Update](#) to change the primary user to the new user account.
 - Section A, line 4 is for adding and removing AZTaxes Primary Users.
 - Have Section C signed by an authorized officer/owner and submit to the address on the form.
3. Once the primary is switched to an office/owner, they can grant delegate access to other registered users.





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TPT FILING TIPS

- Do not send duplicate returns as they create duplicate efforts and may delay processing.
- Do not send confirmation returns. We do not process them.
- If you're sending a paper return, please include all information (Taxpayer Information Box).

EDUCATION, TUTORIALS AND TRAINING

All ADOR workshops are free of charge. Below are upcoming options available to taxpayers. To register or access online workshops, tutorials and resources, visit azdor.gov/taxpayer-education.

WORKSHOPS

ADOR Business Tax - (Via WebEx)

Wednesday, September 18, 2024

1:00 p.m. - 4:00 p.m.

Wednesday, October 2, 2024

9:00 a.m. - noon

Common TPT Errors and How to Avoid Them - (Via WebEx)

Thursday, September 19, 2024

1:00 p.m. - 2:00 p.m.

Thursday, October 3, 2024

10:00 a.m. - 11:00 a.m.

Property Owners - (Via WebEx)

Tuesday, September 24, 2024

9:00 a.m. - noon

ADOR Automobile Dealer Business Tax - (Via WebEx)

Thursday, September 26, 2024

9:00 a.m. - noon

Property Management Company - (Via WebEx)

These workshops are offered as a series and it is recommended to take them in order. Space in each class is limited so visit the [Taxpayer Education web page](#) to sign up today.

Workshop 1: Licensing and Power of Attorney

Monday, October 7, 2024

10:00 a.m. - 11:30 a.m.

Workshop 2: Engaging, Disengaging, and More

Tuesday, October 8, 2024

10:00 a.m. - 11:30 a.m.

Workshop 3: File, Pay, Amend, and More

Wednesday, October 9, 2024

10:00 a.m. - 11:30 a.m.

ON-DEMAND TAX EDUCATION TUTORIALS: Please visit <https://azdor.gov/taxpayer-education/tpt-tutorials>.



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