



Arizona Department of Revenue

TPT Newsletter

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[October 2024](#)

Transaction Privilege Tax Changes and News

GET READY FOR TPT RENEWALS

ADOR is preparing for the upcoming 2025 Arizona Transaction Privilege Tax (TPT) License renewal season.

Businesses will start to receive notifications to renew their license by January 1. Penalties may apply to renewals received after January 31. Please note that a Renewal Form will only be sent to paper filers. For e-filers, an email and/or letter will be sent and a notice will be displayed on [AZTaxes.gov](#) as a reminder. Businesses enrolled on AZTaxes.gov are encouraged to update and verify their account information before completing the renewal process to prevent unnecessary fees and penalties. The option to electronically renew your license will be available soon.

If a business has completely closed, the TPT license must be [canceled](#). If a company has multiple locations and one or more locations have shut down, the individual location on the license must be closed. Licenses that are **not** renewed will not be canceled but will be automatically renewed and assessed applicable fees and penalties.

ADOR recommends that taxpayers enroll now on the AZTaxes.gov website for easier renewals and faster processing. State law requires taxpayers with multiple business locations to [renew their TPT licenses](#) electronically.

Out-of-state businesses without a physical presence in Arizona must [renew their TPT licenses](#) if they have more than \$100,000 in sales to Arizona customers in the current calendar year.

Marijuana excise tax licenses are not required to renew, but marijuana TPT licenses must renew each year.

Please Note: The Department is not renewing licenses for taxpayers that are only registered and file returns for residential rental, business code 045. This change will be effective on December 31, 2024, as a result of a change to the Arizona tax law, starting January 1, 2025. (Laws 2023, Chapter 204 and A.R.S. § 42-6004 (H)).

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. 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](#).



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APPLY | FILE | PAY



ADOR EMAIL TRANSACTION PRIVILEGE TAX NOTIFICATIONS

The Arizona Department of Revenue (ADOR) sends 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.

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. Please note that the Department is **not** renewing licenses for taxpayers that are only registered and file returns for residential rental, business code 045, but the TPT license must be [canceled](#) to avoid automatically renewed and assessed applicable fees and penalties.

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, Quarterly*

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

- **October 21** - TPT return due date.
- **October 30** - Paper returns must be received at ADOR by this date.



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- **October 31** - Electronic return filed in AZTaxes must be submitted before 11:59 p.m. on this date.
- Electronic payment made in AZTaxes must be submitted before 11:59 p.m. on this date.

*The electronic due date for TPT return is dependent on the return and payment being timely and filed electronically.

TPT ACCOUNT UPDATES

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

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

- Mailing Address: Maintain a current mailing address on your transaction privilege and use tax licenses, as well as your corporate and withholding accounts (only for correspondence delivery).
- Location: Add new and/or close unused locations for TPT licenses. Failure to close a location can result in license fees when renewing. (If you moved locations, you must close the prior location and add the new location).
- Existing TPT Licenses: Cancel or close an existing unused TPT license. Failure to close your TPT license can result in penalties for not renewing.
- New Additions: Add new reporting jurisdictions, new business codes, or business or rental locations.

To make these changes, business taxpayers log into their AZTaxes account, click on "View" in the "Actions" column on the "Business List" page and click on "Account Update." Owner/officer changes are submitted through the [Business Account Update](#) form.

COMMON TPT FILING ERRORS

The main reason TPT paper returns do not process correctly is that they are filed by paper! Filing online at [AZTaxes.gov](https://www.aztaxes.gov) reduces the chance for errors because most of the information included on your return is pre-populated for you based on your TPT license information.

Watch the [Common Errors video](#) to learn some of the top reasons returns do not process correctly to your TPT account and how they can be avoided.

For more helpful tips and error explanations, see the [Notice and Correspondence Resource Center](#).

TPT FILING FACTS

- The percentage of filing errors increases by 50% when filing on paper. For quick, simple, and accurate filing, file online.
- If you file your taxes quarterly or annually, you are exempt from filing a monthly return.
- The taxpayer information box must be filled out when mailing a paper return.
- If your primary user email no longer exists, you will need to register as a new user for AZTaxes. ADOR recommends this be an officer/owner of the business. Instructions on registering a new user is located [here](#). Once registered you will need to complete a [Business Account Update](#) to change the primary user to the new user account.
- Remember to click "Submit" when submitting a TPT return on AZTaxes. Clicking "Save" does not submit your return.

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 (2.25%) 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); MRRA 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).

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); MRRA (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).

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, October 16, 2024
1:00 p.m. - 4:00 p.m.



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Wednesday, November 6, 2024

9:00 a.m. - noon

ADOR Business Tax - (In-Person)

Town of Gilbert

Municipal Building 1 - Tower Room (Conference Room 146)

50 E Civic Center Dr

Gilbert, AZ 85296

Wednesday, November 6, 2024

10:00 a.m. - 1:00 p.m.

ADOR Withholding Tax for Employers and Payroll Service Providers - (Via WebEx)

Tuesday, October 22, 2024

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

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

Thursday, November 7, 2024

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

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, November 12, 2024

1:00 p.m. - 2:30 p.m.

Workshop 2: Engaging, Disengaging, and More

Tuesday, November 13, 2024

1:00 p.m. - 2:30 p.m.

Workshop 3: File, Pay, Amend, and More

Wednesday, November 14, 2024

1:00 p.m. - 2:30 p.m.

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



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