



Arizona Department of Revenue

TPT Newsletter

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[November 2024](#)

Transaction Privilege Tax Changes and News

ADOR IS OPEN FOR TPT RENEWALS

The Arizona Department of Revenue (ADOR) is open for the TPT License Renewal season. Letters and emails are being sent to businesses to notify them of their obligation to renew for their 2025 TPT licenses.

Renewal Due Date

The due date to renew a TPT license is January 1, 2025, and licenses are valid for one calendar year, from January 1 through December 31. Even if a business licenses late in the calendar year, they still must renew it for the new year. Failure to renew, or renewals received after January 31 will incur fees and/or late penalties.

Renew Online

State law requires taxpayers with multiple business locations to renew their TPT license [electronically](#) (A.R.S. § 42-5014).

If you do not see the renewal option on AZTaxes, you may have not linked your user account to your TPT license or the primary user has not given you access to renew the license. See [AZTaxes User Access](#) for more information on primary and delegate users.

New for the 2025 renewal season, TPT licenses that only have *residential rental* (business code 045) on their account are set to be automatically canceled effective January 1, 2025. ([Laws 2023, Chapter 204](#) and [A.R.S. § 42-6004 \(H\)](#)). Therefore, the TPT license (residential rental only) will not be renewed for the 2025 calendar year.

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 be renewed, but *marijuana TPT* licenses must be renewed each year.

For further assistance on completing a license renewal through AZTaxes.gov, view our [video tutorial](#).

Renewal Fees

The renewal fee is due at the time of renewal and can be paid via [AZTaxes.gov](#) with e-check or ACH Debit, if that option is already set up on the account. All fees are payable to ADOR, and include the license number and "Renewal 2025" on the payment.

Updating Owners and Officer Information

It is very important to update your owner/officer information before you renew to avoid delays in processing. If the owner/officer is not updated, ADOR will not be able to process requests due to the signer not being authorized.

Filing Frequency

Businesses should review and consider adjusting their [filing frequency](#) if their total estimated annual TPT liability has changed. This can help reduce the possibility of delinquent returns and payments by decreasing the filing occurrences. If there are delinquencies on your business account, the filing frequency cannot be changed.

For more information and frequently asked questions, visit the [TPT License Renewal](#) page.



(602) 255-3381 or toll-free at (800) 352-4090



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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](#).

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.





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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.

For tax periods *before* January 1, 2025:

- You must still comply with filing and payment requirements, and
- These periods remain subject to audit as allowed by statute.

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.

What Should I Do?

Please continue to collect, file, and pay residential rental TPT for periods through December 31, 2024, filed in January 2025. For periods beginning January 1, 2025 and thereafter, it is no longer needed to collect, file, and pay residential rental TPT.

No further action or steps need to be taken to cancel the license. Be aware that cancelation of the license will not exempt you from any liabilities related to periods before January 1, 2025. If liabilities are unpaid, enforcement actions may be taken against you. Log on to [AZTax.es.gov](https://aztaxes.gov) to resolve any outstanding liabilities or missing returns for the license.

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

TPT ACCOUNT UPDATES

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

Businesses should submit any necessary updates to ensure their account is in good standing. If the business or a location is closed, the license must be canceled or the location removed to avoid renewal requirements, as well as applicable fees and penalties.

Businesses should keep their owner/officer information current, as this is how ADOR representatives authorize callers. Owner/officer changes are submitted through the [Business Account Update](#) form.

Taxpayers can watch the [Business Account Update tutorial](#) to learn how to properly complete the paper form.

DUE DATE REMINDERS

TPT Filing Frequency and Due Dates*- *Monthly*

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

- **November 20** - TPT return due date.
- **November 27** - Paper returns must be received at ADOR by this date.
- **November 29** - Electronic return filed in AZTax.es must be submitted before 11:59 p.m. on this date.
- Electronic payment made in AZTax.es 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 FILING FACTS

- **Payment Voucher:** You must mail a TPT-V (voucher) with your paper check when submitting a payment for an e-filed TPT return or late TPT return.





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- **AZ Tax Rate Look Up Tool:** On the AZTaxes.gov website is a resource that can be used to find the transaction privilege tax rates for any location within the State of Arizona. Use the physical address or the zip code, or if it is unknown, the Map Locator link can be used to find the location. Select the appropriate business description and the state/county and city (if applicable) transaction privilege tax rates along with the business codes needed to report your transaction will be displayed.
- **TPT Return Without Payment:** Sending returns without payment generates a bill. ADOR recommends sending returns with all applicable fees/payments to avoid receiving a bill.
- **Deduction Codes:** Every deduction taken must have a [deduction code](#). Deductions reported with an incorrect or missing deduction code will be disallowed and penalties and interest may apply.

TAX CHANGES

Town of Gilbert - Effective date of January 1, 2025

On October 22, 2024, the Common Council of the Town of Gilbert passed Ordinance 2918, amending the Town Tax Code to increase the general transaction tax rate from 1.5% to 2.0%; amending the Town Tax Code to increase the additional rate on Transient Lodging from 2.8% to 5%, withdrawing Model Option 15 to impose a local Use tax; setting a rate for Use tax of 2% and adopting Local Option JJ; providing for severability.

The (2.00%) affects the following business classifications:

Advertising (**018**); Amusement (**012**); Contracting - Prime (**015**); Contracting - Speculative Builders (**016**); Contracting - Owner Builder (**037**); Job Printing (**010**); Manufactured Buildings (**027**); Publication (**009**); Hotels (**044**); Commercial, Rental, Leasing, and Licensing for Use (**213**); Rental, Leasing, and Licensing for Use of TPP (**214**); Restaurant and Bars (**011**); Retail Sales (**017**); Retail Sales Food for Home Consumption (**062**); MRRRA Amount (**315**); Communications (**005**); Transporting (**006**); Utilities (**004**); Use Tax Purchases (**029**); Use Tax from Inventory (**030**).

The (5.00%) affects the following business classifications:

Hotel/Motel (Additional Tax) (**144**).

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**); Use Tax Purchases (**029**); Use Tax From Inventory (**030**).

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**).

Residential Rental Tax - Ends December 31, 2024

The residential rental tax that many cities and towns in Arizona had in place ends effective December 31, 2024.

The following cities and towns are affected: *Apache Junction, Avondale, Benson, Bisbee, Buckeye, Camp Verde, Carefree, Casa Grande, Cave Creek, Chandler, Chino Valley, Clarkdale, Clifton, Colorado City, Coolidge, Cottonwood, Dewey-Humboldt, Douglas, Duncan, Eagar, El Mirage, Eloy, Florence, Fountain Hills, Fredonia, Gila Bend, Gilbert, Glendale, Goodyear, Guadalupe, Hayden, Holbrook, Huachuca City, Jerome, Kearny, Kingman, Litchfield Park, Mammoth, Maricopa, Mesa, Miami, Nogales, Page, Paradise Valley, Parker, Patagonia, Peoria, Phoenix, Pima, Pinetop-Lakeside, Prescott, Queen Creek, Sahuarita, San Luis, Scottsdale, Sierra Vista, Somerton, South Tucson, Springerville, St. Johns, Star Valley, Superior, Surprise, Taylor, Tempe, Thatcher, Tolleson, Tombstone, Wellton, Wickenburg, Williams, Winkelman, Youngtown, and Yuma.*

If businesses have a license that only reports Residential Rental income, they are not required to renew it.



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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)

Tuesday, November 19, 2024

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

Wednesday, December 4, 2024

9:00 a.m. - noon

ADOR Business Tax - (In-Person)

City of Tempe

Desert Willow Program Room of the Tempe Public Library

3500 S Rural Rd

Tempe, AZ 85282

Wednesday, December 4, 2024

10:00 a.m. - noon

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

Wednesday, November 20, 2024

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

Thursday, December 5, 2024

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

Property Owners - (Via WebEx)

Thursday, November 21, 2024

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

ADOR PMC Community Connection - (Via WebEx)

Friday, November 22, 2024

noon - 1:00 p.m.

Friday, December 6, 2024

noon - 1:00 p.m.

Friday, December 13, 2024

noon - 1:00 p.m.

ADOR AZTaxes - (Via WebEx)

Tuesday, November 26, 2024

9:00 a.m. - noon

ADOR Marijuana Taxation - (Via WebEx)

Thursday, December 5, 2024

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





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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, December 9, 2024

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

Workshop 2: Engaging, Disengaging, and More

Tuesday, December 10, 2024

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

Workshop 3: File, Pay, Amend, and More

Wednesday, December 11, 2024

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

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

