



Arizona Department of Revenue

TPT Newsletter

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[March 2025](#)

Transaction Privilege Tax Changes and News

SPRING TPT REMINDER

Six steps to consider in cleaning up your accounts

Springtime is nearly here, a time that many go about the rituals of spring cleaning; tidying up and opening windows and doors to let the winter dust and dirt out. As a part of the spring cleaning process, here are six taxpayer reminder areas to consider for spring cleaning your transaction privilege tax (TPT) accounts:

1. 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).
2. Locations: 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).
3. Existing TPT Licenses: Cancel or close an existing unused TPT license. Failure to close your TPT license can result in penalties for not renewing.
4. DBA Changes: Make changes to "Doing Business As" (DBA) name.
5. New Additions: Add new reporting jurisdictions, new business codes, or business or rental locations.
6. Corporate Officer or Owner: Businesses should keep their owner/officer information current, as this is how ADOR representatives authorize callers.

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.

Among your "housekeeping" responsibilities during this spring cleaning season, consider these updates as a worthwhile investment of your time and effort to organize, increase productivity and get a sense of accomplishment that your accounts are up to date. There is no time like the present, why not get started today?

RENEW 2025 TRANSACTION PRIVILEGE TAX LICENSES NOW

A transaction privilege tax license is used for collecting and remitting state, county, and city taxes. Businesses licensed with the Arizona Department of Revenue (ADOR) were required to renew their TPT license by January 1, 2025.

If your business has not renewed your TPT license for 2025, ADOR will be sending you an automatic renewal billing letter soon. This renewal letter indicates if the taxpayer has overdue renewal fees. Businesses will receive one renewal notice per license from ADOR, regardless of where the business is located.

Businesses should act now to avoid penalties and delays in receiving their TPT License.

Once a business has renewed their TPT license and paid the license in full, the information is validated and the new TPT license certificates are generated to be sent to the mailing address on file with ADOR.

- To renew your license, go to www.AZTaxes.gov.
- Log in using your username and password.



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



www.azdor.gov



APPLY | FILE | PAY



- Click “License Renewal” in the ‘Action’ section of your Business List or select “License Renewal” on the left-hand navigation bar. (You will need the pertinent information for renewal, any changes, payment information, and your e-signature PIN.)

If you do not see these options, you have not linked your account to your TPT license, the primary user has not given you access to renew the license, or the business has already renewed the license. See [AZTaxes User Access](#) for more information on primary and delegate users. For more information, visit [AZDOR’s Renewing a TPT License](#) web page.

WASTE TIRE FEE CHANGES

The Arizona Department of Revenue (ADOR) is informing businesses that sell new tires of upcoming changes to the fee imposed on the sale of motor vehicle tires.

This includes:

- retailers of new motor vehicle tires,
- retailers of new motor vehicles with a gross weight of under 10,000 pounds,
- wholesale sellers that sell new motor vehicle tires to the state or a political subdivision of the state, and
- wholesalers that sell new motor vehicle tires to a private entity that does not resell the new tires (including wholesalers that sell to used car dealerships).

The current fees remain in effect through March 31, 2025:

2% of the retail price of each new tire, up to a maximum of \$2.00 per tire. The fee for new vehicles (where the price of the tires is not listed separately on the invoice) is \$1.00 per tire.

The new fees become effective on April 1, 2025:

2% of the retail price of each new tire, up to a maximum of \$4.66 per tire. The fee for new vehicles (where the price of the tires is not listed separately on the invoice) is \$2.33 per tire.

Beginning July 1, 2026, the fees will be adjusted annually based on a formula established by the Arizona Department of Environmental Quality pursuant to A.A.C. R18-13-2022.

The [website](#) and related forms will be updated to accommodate the new fee structure. Letters are being sent to businesses to notify them of the change and their obligation to update their system to begin collecting and remitting the revised fee.

Businesses should update point-of-sale systems to account for the increased fee effective April 1, 2025. These fees should be remitted to the Arizona Department of Revenue on a quarterly basis by filing [Form TR-1, Motor Vehicle Waste Tire Fee](#).

DUE DATE REMINDERS

TPT Filing Frequency and Due Dates*- Monthly

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

- **March 20** - TPT return due date.
- **March 27** - Paper returns must be received at ADOR by this date.
- **March 28** - 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.



RESIDENTIAL RENTAL TAX CHANGES

The elimination of transaction privilege tax (TPT) applicable to the rental of real estate for residential purposes (residential rental) is effective as of January 1, 2025. An amendment to [A.R.S. § 42-6004 \(H\)](#) exempts residential rental TPT from being levied. Residential rental TPT is reported and collected under business code 045 for long-term lodging stays of 30 days or more.

Next Steps for Property Owners

For periods beginning January 1, 2025 and thereafter, individuals should discontinue collecting residential rental TPT.

TPT licenses that only have *residential rental* (business code 045) on their account were automatically canceled effective December 31, 2024. However, property owners are still able to file for periods prior to January 1, 2025. The TPT license (residential rental only) was not renewed for the 2025 calendar year. If the business has other business activity on the same license, instead the residential rental location was closed. **No further action** or steps need to be taken to cancel the license or close the location.

Be aware that cancelation of your 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. For businesses that cannot afford to pay their tax liability in full, ADOR offers options to help make payments through Collections. For more information on this change and frequency asked questions, please visit azdor.gov/business/residential-rental

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 in to 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 in to 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.

FILING FACTS

- 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. Review the [fact sheet](#) for instructions on registering a new user. Once registered, complete a Business Account Update to change the primary user to the new user account.
- See the [Deduction Codes](#) web page for a list of deduction codes. Make sure you are claiming the correct deduction codes on your TPT return.





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- Remember to click “Submit” when submitting a TPT return on AZTaxes. Clicking “Save” does not submit your return.

FILING FREQUENCY

The Arizona Department of Revenue requires that you file your TPT return according to your assigned tax liability until your tax liability exceeds the filing thresholds. TPT filing frequency is determined by the amount of a business' total estimated annual combined Arizona, county, and municipal TPT liability.

- **Annually: Less than \$2,000** estimated annual tax liability.
- **Quarterly: \$2,000 - \$8,000** estimated annual tax liability.
- **Monthly: More than \$8,000** estimated annual tax liability.

To change your filing frequency, you must request through a [Form 10193 Business Account Update](#) and send it to the address on the form; this function cannot be completed online. Your tax liability will be reviewed, and if it falls within the thresholds, your filing frequency will be changed during the next available filing period. **NOTE:** If there are delinquencies on your business account, the filing frequency cannot be changed.

FILING YOUR TPT RETURN

Arizona statute requires centralized licensing and reporting of transaction privilege tax (TPT) which may mean you must file electronically. A paper Form TPT-EZ can only be used for businesses with one location and less than \$500 in annual TPT and use tax liability. Failure to comply with the electronic filing and payment requirements may result in penalties.

Adding a location or filing electronically triggers the requirement for that tax period and beyond.

We strongly encourage taxpayers to file online through the [AZTaxes.gov](#) website for faster processing and fewer errors.

HOW TO LINK EXISTING TPT LICENSE NUMBER TO THE NEW USER ACCOUNT

The Department encourages businesses to license their business through AZTaxes for quicker registration and processing of their application, along with streamlined filing and paying transaction privilege and withholding taxes.

Apply for a New License

When applying through AZTaxes, the first step is creating an account (user account) and applying for a license. The steps to create an account are as follows:

1. Go to [www.AZTaxes.gov](#).
2. Click on “Enroll to File and Pay Online” under Businesses.
3. Complete the required fields annotated with a red asterisk.
4. Read and check the Terms of Use policy acceptance box.

Click “Register.” You will receive two emails from [Noreply@azdor.gov](#) within 24 hours. The first email will contain your username, and the second will provide a temporary password. Please check your spam folder if you do not find these emails in your inbox.

For visual instructions on creating a user account, see: https://youtu.be/5H_X8HOBPf0.

Connecting an Existing License to User Account

If you are required to file and pay electronically but originally applied for a license by paper, you must create a user account through AZTaxes and link (or connect) the user account with the existing TPT License. Do not reapply for a license through AZTaxes if you already have a license.





Instead, you will link the license and user account. Similarly, when you open a bank account in person, they do not create an online login for you, but you create an online account and connect your bank account with your login.

For visual instructions on linking your account, see this video: <https://youtu.be/gd3BGDmYNkM>.

COMMON ERRORS

ADOR wants businesses to be successful when filing their business' transaction privilege tax returns. The main reason TPT paper returns do not process correctly is that they are filed by paper! Filing online at 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.

If you must file by paper and have an annual waiver in place, let's make sure to file appropriately. (Businesses with an annual transaction privilege tax (TPT) and/or use tax liability of \$500 or more during the prior calendar year are required to file and pay electronically.)

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](#).

TAX CHANGES

City of Prescott - *Effective date of April 1, 2025*

On December 10, 2024, the Mayor and Council of the City of Prescott passed ordinance 2024-1858, certifying the city electorate's November 5, 2024 approval to adopt a dedicated Transaction Privilege tax of ninety-five hundredths of one percent (0.95%) for purposes of public safety within the city, taking effect April 1, 2025 and then reducing to seventy-five hundredths of one percent (0.75%) by December 31, 2035.

The (0.95%) affects the following business classifications:

Advertising **(018)**; Amusement **(012)**; Contracting - Prime **(015)**; Contracting - Speculative Builders **(016)**; Contracting - Owner Builder **(037)**; Feed at Wholesale **(116)**; Job Printing **(010)**; Manufactured Buildings **(027)**; Timbering and Other Extracts **(020)**; Publication **(009)**; Hotels **(044)**; Commercial, Rental, Leasing, and Licensing **(213)**; Rental, Leasing, and Licensing for Use of TPP **(214)**; Restaurant and Bars **(011)**; Retail Sales **(017)**; Retail Sales Food for Home Consumption **(062)**; MRRA Amount **(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 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)**.





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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)

Wednesday, March 19, 2025

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

Tuesday, April 1, 2025

9:00 a.m. - noon

Tuesday, April 15, 2025

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

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

Thursday, March 20, 2025

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

Wednesday, April 2, 2025

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

ADOR PMC Community Connection - (Via WebEx)

Friday, March 21, 2025

noon - 1:00 p.m.

ADOR Automobile Dealer - (Via WebEx)

Tuesday, March 25, 2025

9:00 a.m. - noon

ADOR Marijuana Taxation - (Via WebEx)

Thursday, March 27, 2025

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, April 7, 2025

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

Workshop 2: Engaging, Disengaging, and More

Tuesday, April 8, 2025

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

Workshop 3: File, Pay, Amend, and More

Wednesday, April 9, 2025

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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