



# Arizona Department of Revenue

## TPT Newsletter

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May 2025

## Transaction Privilege Tax Changes and News

### TPT 2024 ELECTRONIC ANNUAL ESTIMATED TAX PAYMENT

Annual estimated tax payment of transaction privilege, telecommunications services excise, and county excise taxes are required if:

- Combined tax liability for transaction privilege, telecommunications services excise, and county excise taxes in the preceding calendar year was \$4,100,000 or more.

#### Deadline

The statutory due date for the annual estimated tax payment is June 20.

- When filed electronically via [www.AZTaxes.gov](http://www.AZTaxes.gov), it must be received by the department no later than Monday, June 30.

#### How do I calculate my payment?

There are two methods available to calculate your June estimated payment:

- One half of the actual tax liability from the month of May, or
- The actual tax liability from June 1 through June 15.

#### Electronic payments

- Taxpayers required to pay electronically may be subject to penalties for payments made by check or cash.
- To file and pay online, a business must be registered on [AZTaxes.gov](http://AZTaxes.gov) and use ACH debit, e-check, or credit card as a payment method to comply with electronic funds transfer (EFT) payment requirements.

### ADOR AUTO-RENEWS 2025 STATE TPT LICENSES

The Arizona Department of Revenue (ADOR) is sending renewal billing letters to businesses with overdue renewal fees. Businesses must pay their past 2025 Transaction Privilege Tax (TPT) License renewal fees plus additional penalties. Renewals were due on January 1, 2025.

*Taxpayers can no longer manually renew online, but they can still pay the license fee liability at [AZTaxes.gov](http://AZTaxes.gov). Prompt compliance online can save both time and money.*

Taxpayers who have closed their business can cancel their existing TPT license through [AZTaxes.gov](http://AZTaxes.gov) or submit a [Business Account Update](#) form with a cancel effective date. This will ensure the account remains in good standing and avoids additional penalties and interest.

Keep the mailing addresses and account information up-to-date to ensure letters, notices, and billings go to the correct address.

Please note, there is a unique address for all renewal forms, correspondence, and payments:

Arizona Department of Revenue  
Attn: License and Registration  
PO Box 29082  
Phoenix, AZ 85038-9082



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Renewal forms, correspondence, or payments sent to any other address will delay processing.

As a reminder, operating without proper licensing is a class 3 misdemeanor.

Once a business has [renewed their TPT license](#) and *paid* the license in full, the information is validated and the new TPT license certificate is generated to be sent to the *mailing address* on file with ADOR.

### TPT FILING AND PAYING

The following criteria determines which Arizona taxpayers must remit their taxes electronically:

- Withholding Tax - Any taxpayer with \$125 average quarterly liability for withholding tax during the prior tax year.
- Transaction Privilege Tax – Any taxpayer with \$500 prior tax year liability.

#### Penalties:

- Taxpayers required to file an electronic return will be subject to a penalty of 5% of the tax amount of payment due for filing a paper return. The minimum penalty is \$25, including filings with zero liability.
- Taxpayers required to pay electronically will be subject to a penalty of 5% of the amount of payment made by check or cash.

To file and pay online, a business must be registered on AZTaxes.gov and utilize ACH debit, e-check, or credit card as a payment method to comply with electronic funds transfer (EFT) payment requirements.

### TPT FILING FACTS

- If you closed your business location indefinitely, you must cancel your license to avoid fees and penalties. Cancel your license on [AZTaxes.gov](#) or by completing a Business Account Update form.
- After three unsuccessful attempts to log in to AZTaxes, wait 30 minutes and you will be able to try again.
- Verify the city code and name of the city/town match. Also, make sure the deduction code matches the description.
- Verify the business activity matches the business code. Also, be sure the region code and name of the region match.

### IN CASE YOU MISSED IT...WASTE TIRE FEE CHANGES

ADOR is informing businesses that sell new tires of 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 new fees became 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.*





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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 **April** TPT filing deadlines:

- **May 20** - TPT return due date.
- **May 29** - Paper returns must be received at ADOR by this date.
- **May 30** - 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.

## TAX CHANGES

### **City of Douglas** - *Effective date of July 1, 2025*

On April 17, 2025, the Mayor and Council of the City of Douglas passed Ordinance No. 25-1207, amending the City Tax Code to decrease the tax rate on Amusements from three and eight-tenths percent (3.8%) to zero percent (0.0%) and including a three-year sunset provision, establishing severability of components of the ordinance.

The (0.0%) affects the following business classifications:  
Amusement (**012**).

### **City of Phoenix** - *Effective date of July 1, 2025*

On March 18, 2025, the City Council of the City of Phoenix passed Ordinance G-7369, providing an increased tax rate on multiple Privilege Tax business classifications and Use tax from two and three-tenths percent (2.3%) to two and eight-tenths percent (2.8%).

The (2.8%) affects the following business classifications:

Amusement (**012**); Contracting - Prime (**015**); Contracting - Speculative Builders (**016**); Contracting - Owner Builder (**037**); 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**); MRRRA Amount (**315**); Transporting (**006**); 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**);



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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 Maricopa** - Effective date of October 1, 2025

On May 6, 2025, the Mayor and City Council of the City of Maricopa passed ordinance 25-06, thereby amending the city tax code to increase the general transaction privilege tax rate by one-half percent (.5%); excluding the tax classes of Hotels, Hotels/Motels, additional Transient Lodging and Retail Sales, Food for Home Consumption from the general rate increase, and providing for Severability.

The (2.5%) 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)**; Timbering and Other Extracts **(020)**; Publication **(009)**; Commercial, Rental, Leasing, and Licensing **(213)**; Rental, Leasing, and Licensing for Use of TPP **(214)**; Restaurant and Bars **(011)**; Retail Sales **(017)**; MRRR 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)**; Marketplace Facilitators in Arizona Retail Sales **(017)**; Marketplace Facilitators in AZ Third Party Sales **(605)**.

## 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](https://www.azdor.gov/taxpayer-education).

### **WORKSHOPS**

#### **ADOR Business Tax - (Via WebEx)**

Tuesday, May 20, 2025

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

Tuesday, June 3, 2025

9:00 a.m. - noon

#### **ADOR Business Tax - (In-Person)**

Town of Gilbert

50 E Civic Center Dr

Gilbert, AZ 85296

Wednesday, May 21, 2025

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

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

Wednesday, May 21, 2025

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



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Wednesday, June 4, 2025  
10:00 a.m. - 11:00 a.m.

### **ADOR Withholding - (Via WebEx)**

Tuesday, May 27, 2025  
9:00 a.m. - noon

### **ADOR Property Owner Basics - (Via WebEx)**

Thursday, May 29, 2025  
1:00 p.m. - 4:00 p.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, June 9, 2025  
1:00 p.m. - 2:30 p.m.

Workshop 2: Engaging, Disengaging, and More  
Tuesday, June 10, 2025  
1:00 p.m. - 2:30 p.m.

Workshop 3: File, Pay, Amend, and More  
Wednesday, June 11, 2025  
1:00 p.m. - 2:30 p.m.

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

