



TPT Newsletter

[What's New](#) | [Reporting Guide](#) | [Rates](#) | [Quick Reference](#)

June 2025

Transaction Privilege Tax Changes and News

TPT 2025 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, 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 and use ACH debit, e-check, or credit as a payment method to comply with electronic funds transfer (EFT) payment requirements.

ADOR AUTO-RENEWS 2025 STATE TPT LICENSES

Renewals were due on January 1, 2025. Businesses that did not renew will receive letters for overdue renewal fees.

Taxpayers can no longer manually renew online, but they can still pay the license fee liability at AZTaxes.gov. Prompt compliance online can save both time and money.

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

Keep your 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



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



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APPLY | FILE | PAY



TPT Newsletter

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

As a reminder, operating without proper licensing may be 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.

AMENDING A TPT RETURN

To amend a previously filed Form TPT-2, you must mark the “Amended Return” box. The amended return will replace the previously filed return. Complete the return with the corrected numbers only. Include all lines present on the original return, even if there are no changes to those lines.

An amended return that results in a refund or credit must be filed within four years of the original return due date or four years from the date the original return was filed, whichever date is later. A taxpayer may not use an amended return to change the application of a claimed estimated tax payment.

There may be times that you file your return but submit a payment at a later date. Make payments online for quicker service. Please do not submit your return again with a paper payment. Instead, include your transaction privilege tax license number, EIN, or SSN in the memo with the previous filing period to match the return.

GUEST CREDIT/DEBIT CARD PAYMENT OPTION

AZTaxes allows secure access for taxpayers to make individual income tax payments 24 hours a day/7 days a week.

Businesses can make a transaction privilege tax (TPT)/use tax credit or debit card payment as a Guest using the Quick Links menu on the AZTaxes homepage. Businesses need to know their license number and business mailing zip code.

Businesses are not required to log in to their [AZTaxes](#) account to make a quick payment. Please note: Only registered business users can make an e-check payment. Service charges may apply.

DEDUCTION REJECTION

TPT returns are commonly rejected or held due to deduction errors. [Deductions](#) listed in the Schedule A of the TPT return must be complete and must match the Transaction Detail deductions to be allowed. Please ensure calculations are correct and that all information has been included.

- The city or region code listed on the Transaction Detail page matches the city/region codes on the Schedule A deduction details.
- The deduction code claimed on the return is applicable to the business code reported. Deductions can only be claimed for an allowable business class activity.
- The Schedule A deduction amounts equal the amount entered on the Transaction Details page.
- The deduction code matches the deduction description on Schedule A.

If you receive a notice indicating information is missing or not matching on the return, please submit an amended return with necessary corrections. Otherwise, please pay the balance indicated on the correspondence by the due date to avoid additional penalties and interest.





TPT Newsletter

Remember, filing returns on [AZTaxes.gov](https://www.aztaxes.gov) ensures these calculations are always accurate and helps avoid return errors.

For a step-by-step guide on how to complete a transaction privilege tax return, see the [TPT Tutorials](#) web page.

TPT FILING FACTS

- Sending returns without payment generates a bill. ADOR recommends sending returns with all applicable fees and payments to avoid receiving a bill.
- An estimated TPT payment is due if the business' anticipated tax liability is \$4,100,000 or more in 2025.
- There are two different types of AZTaxes users: Primary and Delegate. For assistance on primary and delegate access see the [AZTaxes User Access](#) web page.
- If your business is adding a location to an existing license, file a [Business Account Update](#) form.

DUE DATE REMINDERS

TPT Filing Frequency and Due Dates* - *Monthly*

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

June 20 - TPT return due date.

June 27 - Paper returns must be received at ADOR by this date.

June 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 Flagstaff - Effective date of July 1, 2025

On May 20, 2025, the Mayor and City Council of the City of Flagstaff passed ordinance 2025-11 thereby codifying Proposition 488 which was approved by a majority of voters on November 5, 2024, thereby continuing and increasing a local transaction privilege tax rate from twenty-nine hundredths and five thousandths percent (0.295%) to five tenths of a percent (0.500%) for the purposes of public transit; amending the Flagstaff City Code, Title 3, Business Regulations by adopting the 2025 City Tax Code Amendments as set forth in the public record on file with the City Clerk relating to the codification of voter approved sales tax rates and Model City Tax Code Updates; providing for repeal of conflicting Ordinances, severability, and clerical corrections.

The (2.486%) affects the following business classifications:

Advertising (018); Amusements (012); Contracting - Prime (015); Contracting - Speculative Builders (016); Contracting - Owner Builder (037); Feed at Wholesale (116); Job Printing (010); Manufactured Buildings



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TPT Newsletter

(027); Timbering and Other Extraction (020); Publication (009); Utilities (004); 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); MRRA Amount (315); Communications (005); 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); Marketplace Facilitators in Arizona Retail Sales (017); Marketplace Facilitators in Arizona Third Party Sales (605).

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

City of Scottsdale - Effective date of July 1, 2025

On May 20, 2025, the Mayor and City Council of the City of Scottsdale passed ordinance 4676, thereby amending Appendix C of the Scottsdale Revised Code to change the Privilege Tax rate to one and seven tenths percent (1.70%) and to change the Use Tax rate to one and five tenths percent (1.50%).

The (1.70%) 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); MRRA Amount (315); Transporting (006); Utilities (004); Wastewater Removal Services (485).





TPT Newsletter

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 Arizona Third Party Sales Food for Home Consumption (606).

The (1.50%) affects the following business classifications:

Use Tax Purchases (029); Use Tax from Inventory (030).

Medical and Adult Use Marijuana:

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

Cochise County - Effective date of August 1, 2025

On June 3, 2025, the Board of Directors of the Cochise County Jail District passed Jail District Resolution No. 25-02, which ended the collection of the Cochise County Jail District excise tax. This resolution decreases the total state and county combined tax by 0.313% or 0.5% depending on the business classification. As of August 1, 2025, the total combined rate for *most* transactions will be 6.1%.

The following categories will have a 6.1% combined total tax rate on August 1, 2025: Utilities (004); Communications (005); Transporting (006); Private Railcar (007); Pipelines (008); Publishing (009); Job Printing (010); Restaurant and Bars (011); Amusement (012); Rental of Personal Property (014); Contracting - Prime (015); Retail Sales (017); Use Tax-Utilities (026); Medical Marijuana Retail Sales (203); Medical Marijuana Restaurant and Bars (221); MRRA (315); Peer-to-Peer Car Sharing (414); Adult Use Marijuana Retail Sales (420); Adult Use Marijuana Restaurant and Bars (421); Remote Sales/Marketplace Facilitator for Retail Sales (605).

The total combined tax rate for Non metal mining (002) will be 3.437%.

The total combined tax rate for Transient Lodging (Hotel/Motel) (025) and Online Lodging Marketplace (325) will be 6.05%.

The total combined tax rate for Jet Fuel Excise Tax (049) will be 3.355¢.

For Prime Contractors: Effective August 1, 2025, all contracting activity should be reported under business code 015. Activity previously reported using business code 118 should now be reported using business code 015.

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 (0.5%); 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.





TPT Newsletter

The (0.5%) 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); 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); Marketplace Facilitators in Arizona Retail Sales (017); Marketplace Facilitators in Arizona 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 the [Taxpayer Education web page](#).

WORKSHOPS

ADOR Business Tax - (Via WebEx)

Tuesday, June 17, 2025

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

Tuesday, July 1, 2025

9:00 a.m. - noon

Tuesday, July 15, 2025

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

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

Wednesday, June 18, 2025

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

Wednesday, July 2, 2025

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

Wednesday, July 16, 2025

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

ADOR Automobile Dealer- (Via WebEx)

Wednesday, June 25, 2025

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

ADOR Marijuana Taxation - (Via WebEx)

Thursday, June 26, 2025

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



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TPT Newsletter

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, July 7, 2025

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

Workshop 2: Engaging, Disengaging, and More

Tuesday, July 8, 2025

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

Workshop 3: File, Pay, Amend, and More

Wednesday, July 9, 2025

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

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

