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Governor

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Director

ARIZONA TRANSACTION PRIVILEGE TAX PROCEDURE TPP 20-XX

Process for Requesting COVID-19 Related Penalty Abatement (TPT Accounts Only)

Pursuant to authority delegated by state law¹, the department issued Arizona Transaction Privilege Tax Ruling TPR 20-1 establishing reasonable cause for the abatement of penalties assessed for the late payment of transaction privilege tax² (TPT) or late filing of TPT returns based on the impact of the COVID-19 pandemic and necessary measures taken by the state to protect public health, including the Governor's March 11, 2020 Emergency Declaration.³

The tax periods covered by TPR 20-1 and this procedure are limited to periods beginning March 1, 2020 and ending upon notice from the department (COVID-19 period), regardless of when the request for abatement is submitted to the department.

To request an abatement:

1. **Verify that your TPT account shows late payment or filing penalties assessed during the COVID-19 period.** The department is unable to preemptively abate penalties that are not yet assessed.
2. **Before submitting your abatement request, make sure you have filed all outstanding tax returns and paid all TPT due for the COVID-19 period.** The department must ensure that taxes have been paid and filings received for the COVID-19 period before it can abate penalties for those tax periods.
3. **Complete an Arizona Form 290 (Request for Penalty Abatement).** The form is available at <https://azdor.gov/forms/other-forms/request-penalty-abatement>. Multiple periods may be included in a single request form. Taxpayers may use Form 290 for abating penalties *only*: the form cannot be used to request a reduction in your tax liability or interest.

If you are working with a representative who is submitting the form on your behalf, you must also complete and submit an Arizona Form 285 (General Disclosure/Representation Form), available at <https://azdor.gov/forms/power-attorney-poa-disclosure-forms/general-disclosurerepresentation-authorization-form>.

4. **On the Form 290, state "COVID-19" as your reason for requesting an abatement.** For tax periods falling within the COVID-19 period, the department will consider late payment or filing caused by the COVID-19 emergency to constitute both sufficient reasonable cause and the lack of willful neglect by the taxpayer.

¹ Arizona Revised Statutes (A.R.S.) §§ 42-1004(A)(1), 42-1005(A)(6).

² In this Notice, "transaction privilege taxes" refers collectively to state transaction privilege tax, county excise taxes, and privilege taxes levied by municipalities and special taxing districts.

³ Available at <https://azgovernor.gov/file/34365/download?token=6YdWos-F>.

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5. **Email the completed Form 290 (and Form 285, if applicable) to penaltyreview@azdor.gov.** Make sure you submit signed forms and a statement of intent.⁴ Missing or incorrect information may delay the processing of your request.
6. **Confirm.** After submitting your request, log in to your Account Details page on www.AZTaxes.gov to determine whether the request has been approved and processed. Please allow six weeks for the information to post. If an update is not posted after this time, please call (602) 716-7802.

For general tax questions unrelated to this penalty abatement process, please contact the department's customer service line at (602) 255-3381 or (800) 352-4090 (toll-free calling available from area codes 520 and 928 or from outside the United States).

Please note that this Procedure may be supplemented by issuance of a subsequent notice or procedure, as circumstances warrant.

Explanatory Notice

The purpose of a tax procedure is to provide procedural guidance to the general public and to department personnel. A tax procedure is a written statement issued by the department to assist in the implementation of tax laws, administrative rules, and tax rulings by delineating procedures to be followed in order to achieve compliance with the law. Relevant statute, case law, or administrative rules, as well as a subsequent procedure, may modify or negate any or all of the provisions of any tax procedure. See GTP 96-1 for more detailed information regarding documents issued by the Department of Revenue.

⁴ For more information on electronic signatures and the statement of intent, please review General Tax Notice GTN 20-3, available at https://azdor.gov/sites/default/files/PUBLICATION_GTN-20-3.pdf.