



Arizona Department of Revenue **TPT Newsletter**

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November 2021

Transaction Privilege Tax Changes and News

TPT RENEWALS

The Arizona Department of Revenue (ADOR) is mailing letters to businesses, reminding them to renew their Arizona Transaction Privilege Tax (TPT). If a taxpayer sells a product or engages in a business activity subject to TPT, the business must renew their Arizona Transaction Privilege Tax (TPT) License annually.

The due date to renew a TPT license is January 1, 2022. A non-renewed license will not be canceled. Instead, failure to renew or renewals received after January 31 will be deemed late.

To cancel your existing TPT license, use the Account Update option on AZTaxes.gov or submit a Business Account Update form with a cancel effective date.

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 or prior calendar year.

Marijuana *excise* tax licenses are not required to renew, but marijuana *TPT* licenses must renew each year.

Renewal Fees

All fees are payable to ADOR using the license number issued by the Department. 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.

Renew Online

ADOR strongly encourages taxpayers to enroll, file, and pay on AZTaxes.gov for easier renewals and faster processing. State law requires taxpayers with multiple business locations to renew their TPT license electronically.

How to renew your license on AZTaxes.gov.

- Go to www.AZTaxes.gov.
- Log in using your username and password.
- 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.)

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

In an effort to assist taxpayers through the process and reduce errors, ADOR has prepared several tips.

- Businesses with more than one location will not receive a paper form, but instead must renew their licenses online.
- Licenses renewed within the current year must still be renewed.
- If you do not see the renewal option within your account, you have not linked your 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.
- Pay renewal fees online under "Pay," then "Pay Outstanding Liabilities." Renewal fees cannot be paid by credit card.
- If the business' estimated annual combined TPT liability is less than \$2,000, consider adjusting the filing frequency to annually. If the annual filing change is made in 2021, the change will occur for the 2022 filing period.



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



www.azdor.gov



APPLY | FILE | PAY



UPDATE YOUR TPT ACCOUNT NOW

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

Business 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.

PEER-TO-PEER CAR SHARING

Peer-to-peer (P2P) car sharing businesses are now required to pay transaction privilege tax (TPT) on all rentals conducted through their platform. This legislation went into effect on September 29, 2021.

With "peer-to-peer car sharing," a privately-owned vehicle is rented to another individual through a peer-to-peer business that provides a platform for others to rent vehicles for a fee. It does not include (1) car rental agents, (2) short-term car rentals as a business, or (3) vehicle rentals that include a driver.

The P2P business platform owner is responsible to pay TPT, however, private vehicle owners do not need a TPT license or to pay TPT to offer their vehicles for rent through a P2P platform.

However, to avoid additional surcharges, private vehicle owners can certify to the Department that their vehicle is an individual-owned shared vehicle and that either:

- TPT or Arizona's use tax was paid on the vehicle when it was purchased; or
- an out-of-state sales or use tax was paid on the vehicle if the vehicle was purchased out-of-state and subsequently brought into Arizona.

Application for certification may be made to the Department using [AZTaxes.gov](#). Taxpayers need to fill out this application to certify your individually owned, shared vehicle for Peer-to-Peer sharing use per A.R.S. § 28-9616. A private vehicle owner may also represent to the P2P platform (through adequate documentation) that the vehicle is a certified individual-owned shared vehicle.

For more detailed information, please visit: azdor.gov/transaction-privilege-tax/peer-peer-car-rental.

PROPERTY MANAGEMENT COMPANIES

A property management company (PMC) is a business that acts on behalf of a property owner regarding rental properties. This oversight includes overseeing and managing the property, filing returns, and remitting applicable taxes to the Arizona Department of Revenue (ADOR).

ADOR recently revised the [For Property Management Companies \(PMC\) page](#) to enhancing customer experience and guidance. The page includes compiled forms list, tutorials, and helpful tips.

The best place for a new PMC to start is with the PMC workshops offered by ADOR's Education and Outreach team. The PMC workshops are a series of three sessions that cover all that a property manager needs to know, from how to get licensed as a PMC and obtain a Power of Attorney, to onboarding and offboarding your various property owners. To learn more about these workshops or reserve your spot, see the Education, Tutorials, and Training section below.



TAX CHANGES

Town of Marana

On October 19, 2021, the mayor and town council of the Town of Marana passed Ordinance 2021.022, temporarily amending the town code by increasing the tax rate on certain activities by one-half percent. The tax increase will fund a new multi-generational community and aquatic center.

Ordinance 2021.022 also amends the town tax code sections 8-640 (Retail Sales: measure of tax, burden of proof, exclusions) and 8-610 (Use Tax: imposition of tax, presumption) by adopting Model City Tax Code Local Option V, and thereby establishing a tiered tax structure for Retail and Use Tax.

Effective date of January 1, 2022.

The (2.5%) affects the following business classifications:
 Adult Use Marijuana Retail Sales (**420**); Adult Use Marijuana Restaurant (**421**); Amusement (**012**); Commercial Rental and Leasing (**213**); Hotels (**044**); Job Printing (**010**); Manufactured Buildings (**027**); Marketplace Facilitated or Remote Retail Sales (**605**); Medical Marijuana Retail Sales (**203**); Medical Marijuana Restaurant (**221**); MRRRA Amount (**315**); Publication (**009**); Rental Occupancy (**040**); Rental Leasing & Licensing for Use of TPP (**214**); Restaurant and Bars (**011**); Retail Sales (**017**); Timbering and Other Extraction (**020**); Transporting (**006**); Use Tax - Purchases (**029**).

The (2.0%) affects the following business classifications:
 Adult Use Marijuana Retail Sales (Single Item over \$5,000) (**680**); Marketplace Facilitated or Remote Retail Sales (Single Item over \$5,000) (**623**); Medical Marijuana Retail Sales (Single Item over \$5,000) (**664**); Retail Sale (Single Item over \$5,000) (**717**); Use Tax - Inventory (**030**); Use Tax - (Single Item over \$5,000) (**729**).

City of Phoenix

New 2022 threshold amounts for the retail sales and use tax two-level tax rate structure as approved by Phoenix voters with Proposition 104 in the August 25, 2015 city election, will go into effect January 1, 2022.

The inflation adjustment to the threshold amount will affect sales transacted beginning with January 1, 2022 and through December 31, 2023 tax periods.

Effective Date	Biennial Tax Period Sales	Threshold Amount
January 1, 2016	2016-2017 sales	\$10,000
January 1, 2018	2018-2019 sales	\$10,303
January 1, 2020	2020-2021 sales	\$10,968
January 1, 2022	2022-2023 sales	\$11,631

The current threshold amount of \$10,968 will be adjusted by an incremental amount of \$663 to \$11,631 for the next two years beginning on January 1, 2022. Any retail sales and/or use tax business activity must be reported in accordance with the new threshold amounts under the two-level tax rate structure utilizing the proper corresponding business code.

For additional information, please visit: [Phoenix Revenue Enforcement Division](#) web page.

County of La Paz

On November 1, 2021 the La Paz County Board of Supervisors voted to end date the La Paz County Judgment Tax on December 31, 2021.

Effective date of January 1, 2022.



Arizona Department of Revenue

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The (6.6%) affects the following business classifications:

Adult Use Marijuana (**420**); Adult Use Marijuana Restaurant (**421**); Amusement (**012**); Communications (**005**); Job Printing (**010**); Marketplace Facilitated or Remote Retail Sales (**605**); Medical Marijuana (**203**); Medical Marijuana Restaurant (**221**); MRRRA Amount (**315**); Online Lodging Marketplace (**325**); Peer to Peer Car Sharing (**414**); Pipelines (**008**); Prime Contracting (**015**); Private Railcar (**007**); Publishing (**009**); Rentals of Personal Property (**014**); Restaurant and Bars (**011**); Retail Sales (**017**); Transient Lodging (Hotel/Motel) (**025**); Transporting (**006**); Use Tax (**004**).

Additionally, decrease the following business classifications:

Jet Fuel Excise Tax (**049**) - 3.66¢
Non Metal Mining (**002**) - 3.75¢

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.
- **AZ Tax Rate Look Up Tool:** On the AZTax.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.

DUE DATE REMINDERS

TPT Filing Frequency and Due Dates*- Monthly

TPT filers are reminded of the following TPT filing deadlines:

- **November 20** - TPT return due date
- **November 29** - Paper returns must be received by ADOR by 5 p.m. on this date
- **November 30** - Electronic returns must be received by ADOR by 5 p.m. on this date

* The electronic due date for TPT return is dependent on the return and payment being timely and filed electronically. The downloadable 2021 printable schedule is available at azdor.gov/transaction-privilege-tax/due-dates.

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

Automobile Dealer Business Tax Workshop - (Via WebEx)

Wednesday, November 17, 2021
1 p.m. - 4 p.m.

Business Tax Basics - (Via WebEx)

Wednesday, December 1, 2021
9:00 a.m. - noon





Wednesday, December 15, 2021
1 p.m. - 4 p.m.

Withholding Tax for Business Owners and Payroll Service Providers - (Via WebEx)

Wednesday, December 8, 2021
1 p.m. - 4 p.m.

Property Management Company Workshop - (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 & Power of Attorney
Monday, November 15, 2021
10 a.m. - 11:30 a.m.

Workshop 2: Engaging, Disengaging & More
Tuesday, November 16, 2021
10 a.m. - 11:30 a.m.

Workshop 3: File, Pay, Amend & More
Thursday, November 18, 2021
10 a.m. - 11:30 a.m.

Workshop 1: Licensing & Power of Attorney
Monday, December 6, 2021
1:00 p.m. - 2:30 p.m.

Workshop 2: Engaging, Disengaging & More
Tuesday, December 7, 2021
1:00 p.m. - 2:30 p.m.

Workshop 3: File, Pay, Amend & More
Thursday, December 9, 2021
1:00 p.m. - 2:30 p.m.

PMC Community Connection - (Via WebEx)

Wednesday, December 14, 2021
Noon - 12:30 p.m.

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

