



# Arizona Department of Revenue

## TPT Newsletter

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[December 2021](#)

## Transaction Privilege Tax Changes and News

### TPT RENEWALS

The Arizona Department of Revenue (ADOR) prompts businesses to renew their Arizona Transaction Privilege Tax (TPT) before January 1. 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.

**Unrenewed license will not be canceled.** 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.

Failure to renew, or renewals received after January 31, will be deemed late and will incur penalties and/or late fees.

Remote sellers and marketplace facilitators without a physical presence in Arizona must [renew their TPT licenses](#) if they have more than \$100,000 in gross sales to Arizona customers in the current or prior calendar year. If a remote seller or marketplace facilitator has not reached the applicable [threshold](#) in the current or previous calendar year, they may cancel their license. If the threshold was met in the prior calendar year but not yet met in the current calendar year, the business may consider [canceling their TPT license](#) for 2022. Unrenewed licenses will not be canceled.

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

### Renew Online

ADOR strongly encourages taxpayers to renew 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](http://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 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.

For more common questions, see the new FAQ portion of the [Renewing a TPT License page](#).



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



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APPLY | FILE | PAY

## UPDATE YOUR TPT ACCOUNT NOW

Businesses 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. This includes if the location moved.

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.

## PROPERTY MANAGEMENT COMPANIES

ADOR revised the [For Property Management Companies \(PMC\)](#) page to enhance customer experience and guidance. The page includes helpful tips and recently add new resources.

A [Penalty Abatement Checklist](#) has been published to assist PMCs that filed transaction privilege tax (TPT) returns on behalf of property owners for taxable periods starting January 1, 2018 (filed in February 2018) to June 30, 2019 (filed in July 2019) (Applicable Tax Period). The [procedure](#) does not apply to interest or penalties assessed in relation to registration (license) fees. Interest or penalties imposed on license fees cannot be abated.

The [How to File and Pay TPT Returns for PMCs](#) tutorial displaying each step of the process to properly file and pay for the engaged property owners.

The [Annual PMC Renewal Checklist](#) instructs PMCs how to complete all the necessary steps to renew for engaged property owners before January 1 each year.

## CONSTRUCTION CONTRACTING

The Arizona Department of Revenue provides resources and webpages to assist contractors. The agency is continuously improving and innovating its websites to provide quick guidance to taxpayers.

The webpages offer general information on the contracting classification, licensing, the use of exemption certificates, examples, and frequently asked questions. Additionally, taxpayers will find definitions, insight into speculative builders, and key differences between Maintenance, Repair, Replacement and Alteration (MRRRA) and Modification.

We encourage contractors to visit the improved [Contracting Guidelines pages](#) and explore the enhanced information.

## TAX CHANGES

### **City of Benson**

On November 8, 2021, the Mayor and Council of the City of Benson passed Ordinance No. 613 amending the city tax code by adopting Local Option LL. Ordinance 613 imposes a tax on Jet Fuel sales at the rate of \$0.035 cents per gallon. This change has an effective date of 2/01/2022.

*Effective date of February 1, 2022.*

The (\$0.035) affects the following business classifications:  
Jet Fuel Sales (cents per gallon) **(049)**; Jet Fuel Use Tax (cents per gallon) **(051)**.

### **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.

The (2.0%) affects the following business classifications:

Adult Use Marijuana Retail Sales (Single Item Portion over \$11,631) (**682**); Marketplace Facilitators with Arizona Physical Presence Third Party Sales – Single Item Portion Over \$11,631 (**625**); Medical Marijuana Retail Sales – Single Item Portion Over \$11,631 (**683**); Remote Seller – Marketplace Facilitator (Out-of-State with no Arizona Physical Presence) Retail Sales Single Item Portion Over \$11,631 (**625**); Retail Sales – Single Item Portion Over \$11,631 (**162**); Use Tax - Single Item Portion Over \$11,631 (**163**).

**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.*



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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.
- **Tax Rate:** Use the correct tax rate for the business activity and jurisdiction. When an incorrect rate is used, it could cause a balance due on your account. View the [Tax Rate Tables](#) available on AZDOR.gov monthly.
- **Accounting Credit:** Only available to those that file and pay their returns by the established due dates.
- **Deduction Codes:** Ensure the [deduction code](#) being reported is applicable to the business classification; and the totals entered in the transaction detail tables equal the totals entered into the corresponding Schedule A. 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:

- **December 20** - TPT return due date
- **December 29** - Paper returns must be received by ADOR by 5 p.m. on this date
- **December 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](http://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](http://azdor.gov/taxpayer-education).

### WORKSHOPS

#### Business Tax Basics - (Via WebEx)

Wednesday, January 5, 2022

9:00 a.m. - noon

Wednesday, January 19, 2022

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

#### Business Tax Basics - (Town of Gilbert) - Morning Session

Tuesday, January 11, 2022

9:00 a.m. - noon

#### Business Tax Basics - (Town of Gilbert) - Afternoon Session

Tuesday, January 11, 2022

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



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

*Thursday, January 20, 2022  
9:00 a.m. - noon*

**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, January 10, 2022  
10:00 a.m. - 11:30 a.m.*

**Workshop 2: Engaging, Disengaging & More**

*Tuesday, January 11, 2022  
10:00 a.m. - 11:30 a.m.*

**Workshop 3: File, Pay, Amend & More**

*Wednesday, January 12, 2022  
10:00 a.m. - 11:30 a.m.*

**Workshop 1: Licensing & Power of Attorney**

*Monday, February 14, 2022  
1:00 p.m. - 2:30 p.m.*

**Workshop 2: Engaging, Disengaging & More**

*Tuesday, February 15, 2022  
1:00 p.m. - 2:30 p.m.*

**Workshop 3: File, Pay, Amend & More**

*Wednesday, February 16, 2022  
1:00 p.m. - 2:30 p.m.*

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