



Arizona Department of Revenue TPT Newsletter

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February 2022

Transaction Privilege Tax Changes and News

2022 TPT LICENSE RENEWALS

A transaction privilege tax license is used for collection and remittance of state, county and city taxes. Businesses licensed with ADOR were required to renew their TPT license by January 1, 2022. If you have not already done so, visit <https://azdor.gov/transaction-privilege-tax/tpt-license/renewing-tpt-license> for details.

Once a business has renewed their TPT license and paid the license in full, the information is validated and the new TPT license certificates are then generated and sent to the mailing address on file with ADOR.

TPT LICENSE CANCELLATIONS

If your business closes, you **must** cancel your TPT license to avoid fees and penalties. Visit <https://azdor.gov/transaction-privilege-tax/tpt-license/license-fees-cancellation-and-other-changes-for-instructions> on canceling your TPT license.

BOND FOR CONTRACTORS

New contractors, out-of-state contractors without a principal business location in Arizona, and contractors who have displayed a history of TPT noncompliance are generally required to provide a bond to the Department to ensure payment of taxes.

The agency is continuously improving and innovating its websites to provide quick guidance to taxpayers.

The dedicated webpage for bonds offer general information on bonding requirements, licensing, exemption certificates, and frequently asked questions.

We encourage contractors to visit the [Bond for Contractor page](#).

FEEDBACK OPPORTUNITIES

- ***NEW* Taxpayer Correspondence Response Time Survey:** The Arizona Department of Revenue is continuously improving its efforts to provide excellent customer service to our taxpayers. Please provide an evaluation of your customer experience through [this form](#).
- Want to give feedback on TPT Tax Notices from the Arizona Department of Revenue? TPT taxpayers, [click this form](#) to participate.
- ADOR accepts feedback on rulings, procedures in an ongoing effort to engage with and inform the public of state and local taxes. For additional details, visit <https://azdor.gov/legal-research/public-comment-rulings-procedures-and-other-documents>

TAX CHANGES

City of Sedona - Effective date of March 1, 2028.

On November 9, 2021, the City of Sedona passed Ordinance 2021-09, amending sections of the City Tax Code. The transaction privilege tax is permanently increased to three and one-half percent (3.5%) effective March 1, 2028 when the temporary increase was set to expire.



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



www.azdor.gov



APPLY | FILE | PAY



The (3.5%) affects the following business classifications:

Amusement **(012)**; Communications **(005)**; Contracting - Prime **(015)**; Contracting - Speculative Builders **(016)**; Contracting - Owner Builder **(037)**; Commercial Rental and Leasing **(213)**; Hotels **(044)**; Hotel/Motel (Additional Tax) **(144)**; Job Printing **(010)**; Manufactured Buildings **(027)**; MRRRA Amount **(315)**; Publication **(009)**; Rental Leasing & Licensing for Use of TPP **(214)**; Restaurant and Bars **(011)**; Retail Sales **(017)**; Timbering and Other Extraction **(020)**; Transporting **(006)**; Utilities **(004)**.

Town of Taylor - Effective date of April 1, 2022.

On January 6, 2022, the Town of Taylor passed and adopted Ordinance O2022-01, which will increase the transaction privilege tax rate from 2% to 3%. Model Option 15 is withdrawn, imposing Use Tax at a rate of 3%. Telecommunications and Utilities rates are also increased from 0% to 3%. In addition, Local Option DD is repealed, removing the cable television deduction and removing Local Option B to conform to MCTC changes which were approved by the Municipal Tax Code Commission on April 1, 2019.

The (3.0%) affects the following business classifications:

Advertisement **(018)**, Amusement **(012)**; Contracting - Prime **(015)**; Contracting - Speculative Builders **(016)**; Contracting - Owner Builder **(037)**; Hotels **(044)**; Hotel/Motel (Additional Tax) **(144)**; Job Printing **(010)**; Manufactured Buildings **(027)**; MRRRA Amount **(315)**; Publication **(009)**; Rental Leasing & Licensing for Use of TPP **(214)**; Restaurant and Bars **(011)**; Retail Sales **(017)**; Retail Sales Food for Home Consumption **(062)**; Telecommunication Services **(005)**; Timbering and Other Extraction **(020)**; Transporting **(006)**; Use Tax Purchases **(029)**; Use Tax From Inventory **(030)**; Utilities **(004)**.

Marijuana Rates:

Adult Use Marijuana Restaurant **(421)**; Adult Use Marijuana Retail Sales **(420)**; Medical Marijuana Restaurant **(221)**; Medical Marijuana Retail Sales **(203)**; Retail Sales (Accessories and Ancillary Products) **(017)**; Use Tax Purchases **(029)**; Use Tax From Inventory **(030)**.

Out-of-State Seller Rates:

Marketplace Facilitated or Remote Retail Sales **(605)**; Marketplace Facilitators in Arizona Third Party 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)**; Retail Sales Food for Home Consumption **(606)**.

HANDY TIPS

- Keep your password, e-signature PIN, and security questions in a secure location.
- A password reset is required every 90 days.
- Be prepared - e-signature PIN reset requests require 24 hours to process.

DUE DATE REMINDERS

TPT Filing Frequency and Due Dates*- Monthly

The downloadable 2022 printable schedule is available at azdor.gov/transaction-privilege-tax/due-dates.

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

- **February 22** - TPT return due date
- **February 25** - Paper returns must be received by ADOR by 5 p.m. on this date
- **February 28** - 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.





Arizona Department of Revenue

TPT Newsletter

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

Business Tax Basics - (Via WebEx)

Wednesday, February 23, 2022

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

Wednesday, March 9, 2022

9:00 a.m. - noon

AZTaxes Workshop - (Via WebEx)

Wednesday, March 2, 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 3: File, Pay, Amend & More

Wednesday, February 16, 2022

1:00 p.m. - 2:30 p.m.

Workshop 1: Licensing & Power of Attorney

Monday, March 14, 2022

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

Workshop 2: Engaging, Disengaging & More

Tuesday, March 15, 2022

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

Workshop 3: File, Pay, Amend & More

Wednesday, March 16, 2022

1:00 p.m. - 2:30 p.m.

Property Owner Basics Workshop - (Via WebEx)

Thursday, February 17, 2022

9:00 a.m. - noon

Thursday, March 10, 2022

9:00 a.m. - noon

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

