



Arizona Department of Revenue

TPT Newsletter

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May 2022

Transaction Privilege Tax Changes and News

TPT 2022 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 \$3,100,000 or more, or
- If you reasonably anticipate a liability for such taxes of \$3,100,000 or more in the current year.

Deadline

The statutory due date for the annual estimated tax payment is June 20.

- When filed electronically, the annual estimated tax payment must be received by the department no later than Thursday, June 30. However, in order for the department to receive an electronic payment by Thursday, June 30, that payment must be electronically submitted no later than 5:00 p.m. MST (Mountain Standard Time) on Wednesday, June 29. It is highly recommended to make a payment by the third to last business day of the month to ensure your payment is accepted and processed into ADOR systems.

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

- Combined tax liability for transaction privilege, telecommunications services excise, and county excise taxes in the preceding calendar year was \$3,100,000 or more.
- 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](https://www.aztaxes.gov) and use ACH debit, e-check, or credit card as a payment method to comply with electronic funds transfer (EFT) payment requirements.

ADOR AUTO-RENEWS 2022 STATE TPT LICENSES

ADOR will be sending renewal billing letters to businesses with overdue renewal fees. Renewals were due on January 1, 2022.

Taxpayers no longer have the ability to renew on [AZTaxes.gov](https://www.aztaxes.gov), but can still pay the liability. Prompt compliance online can save both time and money. Taxpayers who have closed their business can cancel their existing TPT license through [AZTaxes.gov](https://www.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



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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.

For more information, visit azdor.gov/transaction-privilege-tax/tpt-license/renewing-tpt-license.

TPT FILING AND PAYING

The following criteria determines which Arizona taxpayers must remit their taxes electronically:

- Withholding Tax - Any taxpayer with \$125 average quarterly liability for withholding tax during the prior tax year.
- Transaction Privilege Tax – Any taxpayer with \$500 prior tax year liability.

Penalties:

- Taxpayers required to file an electronic return will be subject to a penalty of 5% of the tax amount of payment due for filing a paper return. The minimum penalty is \$25, including filings with zero liability.
- Taxpayers required to pay electronically will be subject to a penalty of 5% of the amount of payment made by check or cash.

To file and pay online, a business must be registered on AZTaxes.gov and utilize ACH debit, e-check, or credit card as a payment method to comply with electronic funds transfer (EFT) payment requirements.

FEEDBACK OPPORTUNITIES

TPT taxpayers are invited to provide feedback in the following feedback opportunities:

- **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](#).
- **Rulings and Procedures:** 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>.
- **TPT Common Errors Survey:** ADOR asks you participate to determine how to reduce common errors when filing and paying TPT. Click [this form](#) to participate.

TPT FILING FACTS

- If you closed your business location indefinitely, you must cancel your license to avoid fees and penalties. Cancel your license on AZTaxes.gov or by completing a Business Account Update form.
- After three unsuccessful attempts to log in to AZTaxes, wait 30 minutes and you will be able to try again.
- File a \$0 TPT return for temporarily closed businesses and residential rental property owners with no sales/or tax due. Go to azdor.gov/transaction-privilege-tax-tpt for more information.
- Verify the city code and name of the city/town match. Also, the deduction code matches the description.
- Verify the business activity matches the business code. Also, be sure the region code and name of the region match.

TAX CHANGES

Pinal County - Effective date of April 1, 2022.

Due to a recent Supreme Court decision, the Pinal County Transportation Tax has been invalidated. Consequently, beginning with the April reporting period, the Pinal County combined tax rate will decrease.

The tax rate changes will be as follows:



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Business Code	Description	Old Rate	New Rate (April 1, 2022)
002	Non metal mining	4.117%	3.805%
004	Utilities	7.2%	6.7%
005	Communications	7.2%	6.7%
006	Transporting	7.2%	6.7%
007	Private Railcar	7.2%	6.7%
008	Pipelines	7.2%	6.7%
009	Publishing	7.2%	6.7%
010	Job Printing	7.2%	6.7%
011	Restaurant & Bar	7.2%	6.7%
012	Amusements	7.2%	6.7%
014	Rentals of Personal Property	7.2%	6.7%
015	Prime Contracting	7.2%	6.7%
017	Retail (see note below)	7.2%	6.7%
025	Transient Lodging (Hotel/Motel)	7.248%	6.698%
026	Use Tax - Utilities	6.6%	6.1%
049	Jet Fuel Excise Tax	3.965¢	3.66¢
107	PRE-11/07/2017 Prime Contracting	6.7%	Use BC 015
203	Medical Marijuana Retail Sales	7.2%	6.7%
221	Medical Marijuana Restaurants & Bars	7.2%	6.7%
315	MARRA Amount	7.2%	6.7%
325	Online Lodging Marketplace	6.698%	6.148%
367	Retail Sales (Single Item portion over \$10,000)	6.7%	Use BC 015
420	Adult Use Marijuana Retail Sales	7.2%	6.7%
421	Adult Use Marijuana Restaurants & Bars	7.2%	6.7%
605	Remote Sales/Marketplace Facilitator Retail Sales	7.2%	6.7%
616	Marketplace Facilitated or Remote Retail Sales (Single Item portion over \$10,000)	6.7%	Use BC 605
657	Medical Marijuana Retail Sales (Single Item portion over \$10,000)	6.7%	Use BC 203
673	Adult Use Marijuana Retail Sales (Single Item portion over \$10,000)	6.7%	Use BC 420

For Prime Contractors: Effective April 1, 2022, all Contracting activity should be reported in Business Code 015. Prime contractors should use Business Code 107 for the March 2022 and earlier reporting periods. Starting with the April 2022 return, activity previously reported using Business Code 107 should be reported using Business Code 015.

For Retailers: Effective April 1, 2022, all Retail activity should be reported in Business Code 017. Retailers should use Business Code 367 for the March 2022 and earlier reporting periods. Starting with the April 2022 return, activity



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previously reported using Business Code 367 should be reported using Business Code 017.

For Remote Sales/Marketplace Facilitators: Effective April 1, 2022, all Remote Sales/Marketplace Facilitators activity should be reported in Business Code 605. Remote sellers and marketplace facilitators should use Business Code 616 for the March 2022 and earlier reporting periods. Starting with the April 2022 return, activity previously reported using Business Code 616 should be reported using Business Code 605.

City of Tolleson - *Effective date of July 1, 2022.*

On March 22, 2022, the City of Tolleson passed Ordinance 601, which removes Model Option #15 to establish a use tax, and adopts Local Option #JJ to exempt the city from the use tax. The local use tax is established at a rate of 2.50% Ordinance No. 601 additionally establishes a tiered rate for use tax on a Single Item Portion Over \$5,000 at 2.00%.

The new established (2.00%) affects the following business classifications:
Use Tax (Single Item Portion Over \$5,000 **(359)**).

The new established (2.50%) affects the following business classifications:
Use Tax **(029)**; Use Tax From Inventory **(030)**.

Town of Wellton - *Effective date of July 1, 2022.*

On April 19, 2022, the Town of Wellton passed and adopted Ordinance 144, which amends Ordinance 143 addressing the omission of the Food for Home Consumption business code. The ordinance will increase the transaction privilege tax rate from 2.5% to 3.5%.

The (3.5%) affects the following business classifications:

Advertisement **(018)**; Amusement **(012)**; Communications **(005)**; Contracting - Prime **(015)**; Contracting - Speculative Builders **(016)**; Contracting - Owner Builder **(037)**; Food for Home Consumption **(062)**; Hotels **(044)**; Hotel/Motel (Additional Tax) **(144)**; Job Printing **(010)**; Manufactured Buildings **(027)**; MRRA 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)**.

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)**.

Out-of-State Seller Rates:

Marketplace Facilitated or Remote Retail Sales **(605)**; Marketplace Facilitators in Arizona Retail Sales **(017)**; Marketplace Facilitators in Arizona Third Party Sales **(605)**.

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.

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)**; MRRA 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)**.





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DUE DATE REMINDERS

TPT Filing Frequency and Due Dates*- Monthly

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

- **May 20** - TPT return due date
- **May 27** - Paper returns must be received by ADOR by 5 p.m. on this date
- **May 31** - 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. **It is highly encouraged to pay three business days prior to the last business day of the month (May 27) to ensure your payment is accepted and processed into ADOR systems.**

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 - (In-person)

City of Peoria

Peoria Public Library System

Wednesday, May 25, 2022

9:00 a.m. - noon

Business Tax Basics - (Via WebEx)

Wednesday, May 18, 2022

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

Wednesday, June 1, 2022

9:00 a.m. - noon

Wednesday, June 15, 2022

1:00 p.m. - 4:00 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, June 6, 2022

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

Workshop 2: Engaging, Disengaging & More

Tuesday, June 7, 2022

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

Workshop 3: File, Pay, Amend & More

Wednesday, June 8, 2022

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





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Property Owner Basics Workshop - (Via WebEx)

Thursday, June 16, 2022

9:00 a.m. - noon

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

