



Arizona Department of Revenue

TPT Newsletter

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[June 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](#) and use ACH debit, e-check, or credit card as a payment method to comply with electronic funds transfer (EFT) payment requirements.

GUEST CREDIT/DEBIT CARD PAYMENT OPTION

AZTaxes allows secure access for taxpayers to make individual income tax payments 24 hours a day/7 days a week. Businesses now make a transaction privilege tax (TPT)/use tax credit or debit card payment as a Guest using the Quick Links menu on the [AZTaxes](#) homepage. Businesses need to know their license number and business mailing zip code.

Businesses are not required to login to their AZTaxes account to make a quick payment. Please note: Only registered business users can make an e-check payment. Service charges may apply.

ADOR AUTO-RENEWS 2022 STATE TPT LICENSES

ADOR is 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, 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 or submit a [Business Account Update form](#) with a cancel effective date. This will ensure your account



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



[www.azdor.gov](#)



APPLY | FILE | PAY



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

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.

AMENDING A TPT RETURN

To amend a previously filed Form TPT-2, you must mark the "Amended Return" box on page 1. The amended return will replace the previously filed return. Complete the return with the corrected numbers only. Do not use negative numbers and do not submit a return with negative numbers to amend a prior period. Include all lines present on the original return, even if there are no changes to those lines.

An amended return that results in a refund or credit must be filed within four years of the original return due date or four years from the date the original return was filed, whichever date is later. A taxpayer may not use an amended return to change the application of a claimed estimated tax payment.

There may be times that you file your return but submit a payment at a later date. Make payments online for quicker service. Please do not submit your return again with a paper payment. Instead, include your transaction privilege tax license number, EIN, or SSN in the memo with the previous filing period to match the return.

DEDUCTION REJECTION

TPT returns are commonly rejected or held due to deduction errors. [Deductions](#) listed in the Schedule A of the TPT return must be complete and must match the Transaction Detail deductions to be allowed. Please ensure calculations are correct and that all information has been included.

- The city or region code listed on the Transaction Detail page matches the city/region codes on the Schedule A deduction details.
- The deduction code claimed on the return is applicable to the business code reported. Deductions can only be claimed for an allowable business class activity.
- The Schedule A deduction amounts equal the amount entered on the Transaction Details page.
- The deduction code matches the deduction description on Schedule A.

If you receive a notice indicating information is missing or not matching on the return, please submit an amended return with necessary corrections. Otherwise, please pay the balance indicated on the correspondence by the due date to avoid additional penalties and interest.

Remember filing returns on AZTaxes.gov ensures these calculations are always accurate and helps avoid return errors.

For a step-by-step guide on how to complete a transaction privilege tax return, [click here](#).





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CUSTOMER ADVISORY ABOUT THIRD-PARTY PAYMENT WEBSITES

The Arizona Department of Revenue (ADOR) advises taxpayers to only make online payments through ADOR's official payment website, [AZTaxes.gov](https://aztaxes.gov). For card payments, AZTaxes will redirect to Point and Pay, which is an approved payment card service provider.

The Department has been made aware of third-party websites offering bill payment services to pay tax liabilities that result in funds not being delivered and/or rejected by ADOR. It may appear that the website is affiliated with ADOR, but the Department does not sanction or accept payments through third-party bill payment services outside of Point and Pay.

ADOR does not charge a fee to make payments through e-check, but credit and debit card payments result in a processing service charge.

Ensure your payment is made through [AZTaxes.gov](https://aztaxes.gov), which accepts electronic corporate, withholding, and transaction privilege tax payments.

For tutorials on making an online payment, see our [Taxpayer Education](#) page.

If you receive any suspicious phone calls or emails from someone claiming to represent ADOR or demanding a payment, please call the general customer service phone number at (602) 255-3381. If you are redirected to another website to make a payment besides Point and Pay, please document the website address and screenshots and email them to AZTaxHelp@azdor.gov.

TPT FILING FACTS

- Sending returns without payment generates a bill. ADOR recommends sending returns with all applicable fees and payments to avoid receiving a bill.
- An estimated TPT payment is due if the business' anticipated tax liability is \$3,100,000 or more in 2022.
- There are two different types of AZTaxes users: Primary and Delegate. For assistance on primary and delegate access, see: <https://azdor.gov/transaction-privilege-tax/tpt-license/aztaxes-user-access>.
- If your business is adding a location to an existing license, file a [Business Account Update form](#).

ADOR is asking TPT filers to participate in a quick survey to determine common errors when filing and paying TPT. If interested in joining a focus group, complete the last question in the survey. Click [this form](#) to participate.

IRS INTEREST RATE CHANGE

The Internal Revenue Service (IRS) announced that interest rates will increase for the calendar quarter beginning July 1, 2022. The rates will be 5% for overpayments (4% in the case of a corporation), 2.5% for the portion of a corporate overpayment exceeding \$10,000, 5% for underpayments, and 7% for large corporate underpayments.

ADOR applies interest, compounded annually, in the same manner and at the same time as prescribed by the U.S. Internal Revenue Code (IRC), Section 6621. See the [ADOR interest rate page](#) for details.

TAX CHANGES

City of Tucson - Effective date of July 1, 2022.

On May 25, 2022, the Mayor and Council of Tucson passed Ordinance 11904, certifying the city electorate's May 17, 2022



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approval to extend the additional five-tenths of one percent (0.5%) increase of transaction privilege tax and use rates.

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)**; 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)**.

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 Globe - Effective date of August 1, 2022.

On May 24, 2022, the City of Globe passed and adopted Ordinance No. 880, which increases the transaction privilege tax rate from two and three-tenths percent (2.30%) to three and three-tenths percent (3.30%).

The (3.30%) affects the following business classifications:
Advertising **(018)**; Amusements **(012)**; Communications **(005)**; Contracting - Prime **(015)**; Construction Contracting - Speculative Builders **(016)**; Construction Contracting - Owner Builders **(037)**; Hotels **(044)**; 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)**; Use Tax Purchases **(029)**; Use Tax from Inventory **(030)**.

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)**.

Remote 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); 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).

DUE DATE REMINDERS

TPT Filing Frequency and Due Dates*- *Monthly*

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

- **June 20** - TPT return due date
- **June 29** - Paper returns must be received by ADOR by 5 p.m. on this date
- **June 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. **It is highly encouraged to pay three business days prior to the last business day of the month (June 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 - (Via WebEx)

Wednesday, June 15, 2022

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

Wednesday, July 6, 2022

9:00 a.m. - noon

Property Owner Basics - (Via WebEx)

Thursday, June 16, 2022

9:00 a.m. - noon

AZTaxes - (Via WebEx)

Tuesday, June 21, 2022

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

Marijuana Taxation - (Via WebEx)

Wednesday, June 22, 2022

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





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Property Management Company - (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, July 11, 2022

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

Workshop 2: Engaging, Disengaging & More

Tuesday, July 12, 2022

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

Workshop 3: File, Pay, Amend & More

Wednesday, July 13, 2022

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

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

