



Transaction Privilege Tax Changes and News

This publication is an informational notice for November 2017.

Customer Care: (602) 255-3381 or toll-free from area codes 520 or 928: (800) 352-4090

www.azdor.gov or www.AZTaxes.gov

NEWS

RESIDENTIAL RENTAL INFORMATION

Beginning Nov. 1, 2017, property management companies (PMCs) can begin licensing to participate in the new Bulk Upload E-Filing Solution for the January 2018 filing period.

Starting with the January 2018 reporting period, PMCs will no longer be permitted to report and remit transaction privilege tax (TPT) using their own TPT license on behalf of client property owners. All taxes must be filed and remitted using individual property owners' TPT licenses. In order to participate in the new E-Solution, PMCs will need to complete the Property Management License Application.

Note: Every residential rental property owner is required to obtain an Arizona transaction privilege tax (TPT) license from the Arizona Department of Revenue (ADOR) for each location where residential rental income is taxable.

ADOR has also established a [dedicated webpage](#) to assist PMCs and property owners. The new web content provides PMCs and residential rental property owners with resources on licensing requirements, a step-by-step guide on TPT licensing and other information regarding residential rental transaction privilege tax.

Residential rental tax rates can be found in the Arizona State, County and City Transaction Privilege and Other Tax Rate Tables (Table 2) under business code 045. Rates vary by city. (Reminder: There is no State or County level tax rate for residential rental.)

NOVEMBER 2017 TPT TAX RATE TABLE

The TPT Tax Rate Table is available [here](#). TPT and Other Tax Rate Tables offer combined state TPT and piggybacking county excise tax rates, city TPT rates for all cities and other business taxes and rates reported on Forms TPT-2 or TPT-EZ. These tables also provide region codes for counties, cities and other reporting districts. Region codes ensure that both income and deduction codes are reported in the taxpayer's appropriate county, city or other jurisdiction.

STATE TPT LICENSE RENEWAL

REMEMBER to renew your Arizona TPT License with the Arizona Department of Revenue!

Renewal notices are scheduled to be mailed mid-November, and ADOR will process all TPT license renewals for all jurisdictions this fall. Businesses will receive one renewal notice per license from the department regardless of where the business is located.

Businesses with more than one location must renew online at AZTaxes.gov. The due date to renew your TPT license is January 1, 2018. Renewal forms will NOT be available online should you lose, misplace or never receive one.

FINAL TPT FILING DEADLINES FOR 2017

The final months of 2017 are here, and the October activity filing deadline is Nov. 20. Electronic payment must be submitted by 5 p.m. MST on Nov. 29, and paper returns must be received by this date. Electronic returns must be received by Nov. 30.

For November activity, the TPT return is due Dec. 20, and electronic payments (by 5 p.m. MST) and paper returns must be received by Dec. 28. Electronic returns must be received by Dec. 29.



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A TPT Return must be submitted even if no taxes are due. We strongly encourage taxpayers to file and pay online via AZTaxes.gov for faster processing and fewer errors.

TAX TIPS

- Remember to file your TPT Return for October activity.
- If you're a Property Management Company (PMC), don't forget to register to participate in the new Bulk Filing Option.
- Update your business account information now for an easier 2018 Transaction Privilege Tax License renewal.
- Residential rental owners can direct all TPT inquiries to residentialrental@azdor.gov, or by calling (602) 716-RENT (7368).
- The owner of a business should be the primary user on AZTaxes, not a Certified Public Accountant. The business owner has the authority to assign others access, such as a CPA.
- AZTaxes.gov enables registered businesses to update their accounts. Click [here](#) for more.

TAX CHANGES

CITY OF GLOBE

On Oct. 24, 2017, the City Council of the City of Globe passed Ordinance No. 849, which rescinds Local Option V from the City's Model Option Tax Code. The City's Mayor and Council no longer wish to use the two-level structure for big ticket items.

Ordinance 849 will remove the tiered tax rate from the City Tax Code, and this change has an effective date of Jan. 1, 2018.

Additionally, on Oct. 24, 2017, the City Council of the City of Globe passed Ordinance No. 850, which repeals Model Option 15 from the Tax Code. The ordinance adopts Local Option JJ and exempts the City of Globe from Use Tax and amends the City of Globe Tax Code by adopting Use Tax at the rate of **2.3 percent**. It also adopts such ordinance by reference; repeals any and all other ordinances and parts of ordinances in conflict therewith; and provides for penalties for the violation thereof.

Effective Jan. 1, 2018, the following business classifications will be created at a rate of **2.3 percent**:
Use Tax Purchases (Business Code **GL 029**); Use Tax from Inventory (**GL 030**).

Pima County

On Nov. 7, 2017, the Pima County Stadium District passed Resolution 2017-SD-2, which terminates the levy of the Recreational Vehicle Spaces Surcharge.

Effective Jan. 1, 2018, the Recreational Vehicle Surcharge (RV Surcharge) collected under business code 023 at a rate of \$0.50 per day on each lease or rental of a parking space for recreational vehicles will no longer be imposed.