



# Transaction Privilege Tax Changes and News

This publication is an informational notice for January 2018.

Customer Care: (602) 255-3381 or toll-free from area codes 520 or 928: (800) 352-4090  
[www.azdor.gov](http://www.azdor.gov) or [www.AZTaxes.gov](http://www.AZTaxes.gov)

## NEWS

### **PROPERTY MANAGEMENT COMPANIES E-FILING SOLUTION**

Effective this month, PMCs will no longer be able 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.

To participate in the new E-Solution, PMCs must complete the Property Management License Application. Additionally, a PMC can complete the bulk upload by either importing client TPT information in CSV or Excel file format, or by entering the information manually.

For more information, visit our [dedicated webpage](#), which 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.

### **TPT LICENSE RENEWAL**

January 1 was the official due date to renew a Transaction Privilege Tax (TPT) license. In November 2017, the Arizona Department of Revenue (ADOR) sent out license renewal letters to every business licensed with ADOR. Business owners who have yet to renew their licenses want to do so before penalties are assessed.

TPT licenses are valid for one calendar year, January 1 – December 31. Taxpayers are encouraged to register and file online, and businesses with more than one location must renew online at [AZTaxes.gov](http://AZTaxes.gov) for easier renewals and faster processing. Businesses with single locations will submit paper forms.

Business owners can also update their account information on [AZTaxes.gov](http://AZTaxes.gov). Please allow up to four hours for the account update and application to go into effect.

### **JANUARY 2018 TPT TAX RATE TABLE**

The January 2018 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.

### **2018 TPT DUE DATE CALENDAR**

The 2018 TPT Due Date Calendar is now available on [azdor.gov](http://azdor.gov) for download. Please note: The TPT return due date for December 2017 is Jan. 22, 2018. Paper returns are due Jan. 30, 2018, as well as electronic payments, which must be submitted by 5 p.m. MST on the business day before this date to ensure timely receipt by ADOR. Electronic returns are due Jan. 31, and must be submitted by 5 p.m. MST

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

## TAX TIPS

- Remember to file your TPT Return for December activity.
- Renew your 2018 Transaction Privilege Tax License today to avoid penalties.



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- Take advantage of the Property Management Company (PMC) E-Filing Solution.
- Residential rental owners can direct all TPT inquiries to [residentialrental@azdor.gov](mailto:residentialrental@azdor.gov), or by calling (602) 716-RENT (7368).

## TAX CHANGES

### CITY OF CHANDLER

On Oct. 19, 2017, the City Council of Chandler passed Ordinance No. 4775, which amends the City of Chandler Tax Code Section 62-320 by reducing the license fee, annual renewal and renewal fees from **\$50 to \$2**; all relating to City of Chandler regulations specifically encompassing the licensing and registration of businesses; providing for the repeal of conflicting ordinances, and providing for severability.

This change went into effect **Jan. 1, 2018**.

### CITY OF PRESCOTT

On Sept. 12, 2017, the majority of qualified voters in the City of Prescott approved Proposition 443, adopting a transaction privilege tax increase of three-quarters of one percent.

Subsequently, on Nov. 14, 2017, the Mayor and Council of the City of Prescott passed Ordinance No. 5048-1588, which amended the City Tax Code by increasing the City Transaction Privilege Tax and Use; increasing the rate of taxation from **2 percent** to a rate of **2.75 percent**; providing penalties for the violation thereof; providing for severability, and designating an effective date and making provisions for existing contacts.

**Effective Jan. 1, 2018**, the tax rate for the following business classifications will increase from **two percent** to a rate of **two and three quarters percent**:

Advertising (Business Code **PR 018**); Amusements (**PR 012**); Contracting – Prime (**PR 015**); Contracting – Speculative Builder (**PR 016**); Contracting – Owner Builder (**PR 037**); Feed at Wholesale (**PR 116**); Job Printing (**PR 010**); Manufactured Buildings (**PR 027**); Timbering and Other Extraction (**PR 020**); Publication (**PR 009**); Hotels (**PR 044**); Residential Rental, Leasing & Licensing for Use (**PR 213**); Rental, Leasing & Licensing for Use of TPP (**PR 214**); Restaurants and Bars (**PR 011**); Retail Sales (**PR 017**); Retail Sales Food for Home Consumption (**PR 062**); MRRA Amount (**PR 315**); Communications (**PR 005**); Transporting (**PR 006**); Utilities (**PR 004**); Use Tax Purchases (**PR 029**); Use Tax From Inventory (**PR 030**).

### 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 Mayor and City Council of Globe 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. This change went into effect Jan. 1, 2018.

Also on Oct. 24, the City Council and City of Globe passed Ordinance No. 850. Ordinance No. 850 repeals Model Option 15 from the Tax Code, and adopts Local Option JJ, exempting the City of Globe from Use Tax, and amending the City of Globe Tax Code by adopting Use Tax at the rate of **2.3 percent**; adopting such



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ordinance by reference; repealing any and all other ordinances and parts of ordinances in conflict therewith; providing 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 (Business Code **GL 030**).