



Transaction Privilege Tax Changes and News

This publication is an informational notice for May 2018.

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

TPT 2018 ELECTRONIC ANNUAL ESTIMATED PAYMENT REMINDER

ADOR wants to remind taxpayers that annual estimated tax payment of transaction privilege, telecommunication services excise and county excise taxes are due in June.

Arizona Revised Statute §42-5014.D requires an estimated tax payment if a taxpayer's actual combined tax liability for transaction privilege, telecommunication services excise and county excise taxes in the preceding calendar year was \$1,000,000 or more, or if the taxpayer can reasonably anticipate a liability for such taxes of \$1,000,000 or more in the current year.

Arizona Administrative Code rule R15-10-302 requires taxpayers under transaction privilege tax (TPT) with a total annual liability of \$20,000 or more to remit these tax payments by an authorized means of transmission (Electronic Funds Transfer).

The statutory due date for the annual estimated tax payment is June 20, 2018. When filed electronically via AZTaxes.gov, the deadline is Friday, June 29, 2018. However, in order for the department to receive the electronic payment before the deadline, it must be submitted no later than 5 p.m. MST (Mountain Standard Time) on Thursday, June 28, 2018.

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.

Using ACH credit to make your Electronic Funds Transfer (EFT) payment?

- Be sure you use Tax Type Code 042 and Tax Period End Date of June 30, 2018

Using www.AZTaxes.gov to make your EFT payment

- You must be registered to use AZTaxes.gov and make your TPT estimated tax payment electronically. Be sure to select "YES" for "This is a June Estimated Payment" to ensure your payment is processed accurately.

FILING A TPT RETURN

Centralized reporting and paying makes it easier to file **one return** per Arizona Department of Revenue (ADOR) transaction privilege tax (TPT) license. **Do not submit separate city returns for current activity.**

We strongly encourage taxpayers to file online via the AZTaxes.gov website for faster processing and fewer errors. Taxpayers who file electronically during a calendar year are now able to claim an increased accounting credit from 1 percent to 1.2 percent. This increases the total calendar year credit limit from \$10,000 to \$12,000. For more information, visit azdor.gov.

Monthly TPT Filers: Please Submit Returns

ADOR reminds monthly transaction privilege tax filers that returns are due.



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Taxpayers can avoid the worry and hassle of mailing a return by using AZTaxes.gov, which is readily available, including nights and weekends. Our online filing and paying service is free, fast and easy, and allows for payments to be scheduled up until the second to the last business day.

To be in compliance with state law, TPT taxpayers must file a return by its due date, even if no tax is due for the filing period.

State law requires taxpayers to file and pay electronically when they have multiple business locations, or a business had a total annual combined state, county and municipal TPT liability of \$20,000 or more in 2017.

TAX TIPS

- Remember to file your TPT return for April's activity.
- Residential rental owners can direct all TPT inquiries to residentialrental@azdor.gov, or by calling (602) 716-RENT (7368).
- Renew your 2018 Transaction Privilege Tax License today to avoid penalties.
- Take advantage of the Property Management Company (PMC) E-Filing Solution.
- If you closed your business, you must cancel your license to avoid fees and penalties.

TAX CHANGES

PINAL COUNTY

Pinal County requested the Arizona Department of Revenue to begin collecting a transportation excise tax beginning with the April 1, 2018 reporting period. The new tax affected a rate change as follows:

Class Code	Description	Old Rate	New Rate (beginning 4/1/2018)
002	Non-metal Mining	3.805%	4.117%
004	Utilities	6.7%	7.2%
005	Communications	6.7%	7.2%
006	Transporting	6.7%	7.2%
007	Private Railcar	6.7%	7.2%
008	Pipelines	6.7%	7.2%
009	Publishing	6.7%	7.2%
010	Job Printing	6.7%	7.2%
011	Restaurant & Bar	6.7%	7.2%
012	Amusements	6.7%	7.2%
014	Rentals of Personal Property	6.7%	7.2%
015	Prime Contracting	6.7%	7.2%
017	Retail (see note below)	6.7%	7.2%
025	Transient Lodging (Hotel/Motel)	6.698%	7.248%
026	Use Tax-Utilities	6.1%	6.6%
049	Jet Fuel Excise Tax	3.66¢	3.965¢

For Prime Contractors: Any increase in the rate of tax does not apply to contracts entered into or pursuant to written bids made by prime contractors on or before Nov. 7, 2017. To qualify for the reduced rate, the



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prime contractor must maintain documentation to verify the date of the contract or written bid. **Gross income received from pre-existing prime contracts will be reported under Class 107.**

For Retailers: Effective April 1, 2018 **for Pinal County only**, any retail single item portion over \$10,000 shall be taxed at 6.7 percent **using business code 367.**