



Transaction Privilege Tax Changes & News

This publication is an informational notice for August 2018

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

Visit us at www.AZDOR.gov or www.AZTaxes.gov

NEWS

Residential Rental Property Owners and TPT Licensing

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. This applies regardless if the owner rents the property themselves or employs a property management company.

Multiple locations may be licensed under a consolidated license number, provided the ownership is the same to allow filing of a single tax return.

More information can be found on azdor.gov [here](#). Residential rental owners can also direct all TPT inquiries to residentialrental@azdor.gov or (602) 716-RENT (7368).

State TPT License Renewal

The state of Arizona and its cities and towns are working together to simplify how taxpayers report and pay their transaction privilege tax. ADOR requires all licensed businesses to renew their Arizona TPT license by Jan. 1, 2019. Failure to do so may result in penalties.

Please note that businesses with more than one location will not receive a paper form for renewal and must renew their licenses on AZTaxes.gov. Also, taxpayers with an annual TPT or use tax liability of \$20,000 or more during the prior calendar year are required to file tax returns electronically (A.R.S § 42-5014) and make tax payments by Electronic Funds Transfer (EFT). For tax periods beginning on Jan. 1, 2019, the thresholds will lower to annual TPT or use tax liability of \$10,000 or more. Failure to comply with the electronic filing and payment requirements may result in penalties.

In the fall, ADOR will be sending renewal letters on how to renew your TPT license. Please note that you want to make sure all information is current before renewing.

TPT Account Updates

ADOR is encouraging TPT taxpayers to ensure their account information is up to date. AZTaxes.gov enables registered businesses to update their accounts, but they must have an e-signature PIN to make changes.

On AZTaxes.gov, taxpayers can do the following:

- Change their mailing address on corporate, withholding and transaction privilege and use tax licenses.
- Add, edit and/or close locations for TPT licenses.
- Cancel or close an existing TPT license or single location on a TPT license.
- Close an account for withholding or TPT licenses.
- Make changes to "Doing Business As" (DBA) name or the business mailing address.

- Add a new reporting jurisdiction, new business code or business or rental location.

Visit azdor.gov to learn more. Taxpayers can also download and complete a [Business Account Update Form](#) and send it to ADOR.

Please note that taxpayers in the contracting business, when requesting change(s) to a physical location, legal name and/or business name within the first two years, must have a Bond Rider to match the change (s) requested submitted prior to the request and submitted with the Business Account Update Form.

ADOR TPT Phone Number No Longer in Service

The ADOR previously maintained phone number specifically set up for TPT questions, (844) 698-9176, is no longer in service.

Please direct inquiries to Customer Care at (602) 255-3381, or toll-free from within Arizona at (800) 352-4090, during our office hours, Monday - Friday, 8 a.m. - 5 p.m.

ADOR's New Functionality Within AZTaxes.gov

ADOR has a new functionality within AZTaxes.gov to enhance current business account linking and additional features to maintain delegate users privileges.

As such, you will need to register for an AZTaxes account to use our business services. This is the first step in the AZTaxes account registration process. However, you must first enroll your email on AZTaxes to create an account to file and pay online.

There are two different types of AZTaxes users: Primary and Delegate.

Primary User: Maintains the entire online account and provides access to delegate users. There can only be one Primary User for each account. ADOR recommends this be an officer/owner of the business. To change the Primary User, you will need to complete a [Business Account Update form](#). You must enroll to file and pay on www.AZTaxes.gov. Please note: Do not use the Business Account Update form for delegates/additional users. Please contact the primary user for changes to delegate access.

Delegate User: A Delegate User is given specific authority for business account functions by the Primary User. This type of user can be a CPA, paid preparer, office manager, additional officer/owner of the company, etc.

TAX CHANGES

City of Flagstaff

On June 19, 2018, the Council of Flagstaff passed Ordinance No. 2018-22, which amends the City of Flagstaff Tax Code Section 3-05-003-0320 by reducing the license fee from **\$46 to \$20** and creating an annual license renewal fee of **\$20**; all relating to City of Flagstaff regulations specifically encompassing the licensing and registration of businesses; providing for the repeal of conflicting ordinances, and providing for severability.

The change in the license fee goes into effect **Jan. 1, 2019**, and the annual license renewal fee goes into effect **July 1, 2018** to be in effect for the **2019 renewals**.