



Transaction Privilege Tax Changes & News

This publication is an informational notice for January 2019

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

NEWS

ADOR's TPT Filing and Paying Program in Effect

The Arizona Department of Revenue's (ADOR) program to enhance electronic filing and paying in the state is now in effect. Per enacted 2017 legislation, businesses with an annual transaction privilege tax (TPT) and use tax liability of \$10,000 or more during the prior calendar year will be required to file and pay electronically starting February 2019 for the January reporting period.

E-filing and paying online is faster and more secure for taxpayers, strengthens tax fraud prevention measures and enhances the taxpayer experience. It also saves money for taxpayers because e-filing makes them eligible to receive up to a \$2,000 annual reduction of tax due from the enhanced accounting credit. Taxpayers filing TPT electronically during a calendar year are able to claim an increased accounting credit from 1% to 1.2%. This increases the total calendar year credit limit from \$10,000 to \$12,000. The accounting credit, however, remains unchanged at 1% and a total calendar year credit of \$10,000 for taxpayers who file paper TPT returns.

Please note that taxpayers required to file an electronic return will be subject to a penalty of 5% of the tax amount due for filing a paper return. The minimum penalty is \$25, including filings with zero liability. Taxpayers required to pay electronically will be subject to a penalty of 5% of the amount of payment made by check or cash.

To file and pay online, a business must be registered on AZTaxes.gov and utilize ACH debit, e-check or credit card as a payment method to comply with electronic funds transfer (EFT) payment requirements. Please visit azdor.gov/transaction-privilege-tax-tpi for more information.

2019 TPT License Renewals

All businesses licensed with ADOR are required to renew their [Arizona Transaction Privilege Tax License](#). TPT licenses are valid for one calendar year, from January 1 to December 31. Licenses renewed within the calendar year must still be renewed at the start of the following calendar year. Taxpayers must renew the license before carrying on with business in Arizona. Failure to renew the license may be subject to penalties.

ADOR strongly encourages taxpayers to renew online via the AZTaxes.gov for easier renewals and faster processing. State law requires taxpayers with multiple business locations to renew their TPT license electronically.

All fees are payable to ADOR using the license number issued by the department. The renewal fee is also due at the time of renewal and can be paid via AZTaxes.gov with e-check or ACH debit if that option is currently set up on an account. For a new TPT license issued by ADOR, the cost is \$12 plus applicable city fees of up to \$50 per jurisdiction.

For assistance on completing a license renewal through [AZTaxes](http://AZTaxes.gov), please review [Renewing a TPT License](#).

TPT Resources Available

For TPT taxpayers, ADOR offers several resources available at azdor.gov, including online TPT video tutorials and the 2019 TPT Filing & Payment Due Dates calendar. The online tutorials can help you with your TPT filing and other topics, while the calendar provides important due date reminders.

To access the tutorials, click [here](#).

To access the calendar, click [here](#).

TAX CHANGES

Town of Guadalupe

On October 11, 2018, the Mayor and Council of the Town of Guadalupe passed Ordinance No. 02018.02, which adopted the “2012-2014 Amendments to the Tax Code of Guadalupe.” The provisions of this ordinance conforms to the Model City Tax Code, which is controlling.

The change is **effective Feb. 1, 2019**.

Additionally, on Dec. 13, 2018, the Mayor and Council of the Town of Guadalupe passed Ordinance No. 02018.03, eliminating Local Option B and Model Option 15 and adding Use Tax Purchases (Business Code 029) at **4%** and Use Tax From Inventory (Business Code 030) at **4%**. Ordinance No. 02018.03 also selects Local Option JJ, which exempts the Town of Guadalupe from Use Tax Purchases and Use Tax From Inventory. The provisions of this ordinance conforms to the Model City Tax Code, which is controlling.

Effective Feb. 1, 2019, the business codes are as follows:

Use Tax Purchases (**GU 029**)
Use Tax From Inventory (**GU 030**)

City of Scottsdale

On Nov. 6, 2018 a majority of voters in the City of Scottsdale approved Question 1 to increase the transaction privilege tax to **1.75%** for the business codes referenced below as well as increase use tax rates to **1.55%** (see codes referenced with *). The rate increases will remain for **10 years** to provide funds for transportation improvement projects.

Effective Feb. 1, 2019, the business codes are as follows:

Advertising (**SC 018**); Amusement (**SC 012**); Contracting-Prime (**SC 015**); Contracting-Speculative Builder (**SC 016**); Contracting - Owner Builder (**SC 037**); Feed at Wholesale (**SC 116**); Job Printing (**SC 010**); Manufactured Buildings (**SC 027**); Timbering and Other Extraction (**SC 020**); Publication (**SC 009**); Hotels (**SC 044**); Residential Rental, Leasing & Licensing for Use (**SC 045**); Commercial Rental, Leasing & Licensing for Use (**SC 213**); Rental, Leasing & Licensing for Use of Tangible Personal Property (**SC 214**); Restaurant and Bars (**SC 011**); Retail Sales (**SC 017**); Retail Sales Food for Home Consumption (**SC 062**); MRRRA Amount (**SC 315**); Communications (**SC 005**); Transporting (**SC 006**); Utilities (**SC 004**); Wastewater Removal Services (**SC 029**); * Use Tax Purchases (**SC 029**); * Use Tax From Inventory (**SC 030**).

City of Mesa

On Nov. 6, 2018, a majority of voters in the City of Mesa approved Question 2 to increase the transaction privilege tax to **2%**. The rate increases detailed in Ordinance 5478 will provide funds solely for Mesa Police, Mesa Fire and Medical Services, personnel, equipment, training and related costs.

Effective March 1, 2019, rates that will change per Ordinance 5478 are as follows:

Advertising (**ME 018**); Amusement (**ME 012**); Contracting-Prime (**ME 015**); Contracting-Speculative Builder (**ME 016**); Contracting - Owner Builder (**ME 037**); Job Printing (**ME 010**); Manufactured Buildings (**ME 027**); Timbering and Other Extraction (**ME 020**); Publication (**ME 009**); Hotels (**ME 044**); Residential Rental, Leasing & Licensing for Use (**ME 045**); Commercial Rental, Leasing & Licensing for Use (**ME 213**); Rental, Leasing & Licensing for Use of Tangible Property (**ME 214**); Restaurant and Bars (**ME 011**); Retail Sales (**ME 017**); MRRRA Amount (**ME 315**); Communications (**ME 005**); Transporting (**ME 006**); Utilities (**ME 004**); Wastewater Removal Services (**ME 485**); Use Tax Purchases (**ME 029**); Use Tax From Inventory (**ME 030**); Online Lodging Marketplace (**ME 325**).