



Transaction Privilege Tax Changes & News

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

This publication is an informational notice for May 2019

NEWS

TPT General

Transaction privilege tax (TPT) is a gross receipts tax levied on businesses by the State of Arizona for the privilege of conducting business in the state. Under transaction privilege tax, the Arizona Department of Revenue (ADOR) is the single point of administration and collection of state and city taxes for all business and residential rental owners in Arizona. Businesses may register, file returns, and make tax payments via its central portal, AZTaxes.gov.

ADOR Issues Penalty Abatement Procedure for Property Management Companies

A new penalty abatement procedure, applicable to property management companies (PMCs) registered with ADOR, that filed TPT returns on behalf of property owners (POs) for the taxable period starting January 1, 2018 (filed February 2018) to June 30, 2019 (filed in July 2019), is now available. Click [here](#) for more information on the penalty abatement procedure and to download applicable forms.

Dedicated Services Available for Residential Rental Property Owners and Property Managers

Residential rental POs and PMCs with questions about transaction privilege tax (TPT) filing and paying in Arizona can turn to dedicated ADOR resources.

ADOR's dedicated hotline of (602) 716-RENT (7368) and email addresses for residential rental property owners and property management companies are available to assist with any questions regarding TPT.

- For residential rental property owners: ResidentialRental@azdor.gov.
- For property management companies: PMCDData@azdor.gov.

Returns Without Payment

Sending returns without payment generates a bill. ADOR recommends sending returns with all applicable fees/payments.

TAX CHANGES

City of Benson

On April 22, 2019, the Mayor and Council of the City of Benson passed Ordinance No. 597 eliminating: Model Option 15 and adding Use Tax Purchases (Business Code 029) at three and one-half percent (3.5%), Use Tax From Inventory (Business Code: 030) at three and one-half percent (3.5%) and Use Tax Purchases (Single item over \$5,000) (Business Code: 729) at one percent (1.0%). In addition, Ordinance No. 597 selects Local Option JJ, which exempts the City of Benson from Use Tax Purchases, Use Tax From Inventory and Use Tax Purchases (Single item over \$5,000). The provisions of this Ordinance conforms to the Model City Tax Code, which is controlling.

This change has an effective date of July 1, 2019

- Use Tax Purchases* (BS 029)
- Use Tax From Inventory* (BS 030)
- Use Tax Purchases (Single item over \$5,000) (BS 729)

*Use Tax Purchases (Business Code 029) at three and one-half percent (3.5%), Use Tax From Inventory (Business Code: 030) at three and one-half percent (3.5%) and Use Tax Purchases (Single item over \$5,000) (Business Code 729) at one percent (1.0%).

REMINDERS

TPT Filing Frequency and Due Dates

TPT filers are reminded of the following April 2019 TPT filing deadlines:

- May 20 - TPT return due date
- May 30 - Paper returns must be received by ADOR by 5:00 p.m. on this date
- May 31 - Electronic returns must be received by ADOR by this date

TPT filing frequency is determined by the amount of your total estimated annual combined Arizona, county and municipal TPT liability.

- Annual - Less than \$2,000 estimated annual combined Arizona, county and municipal tax liability
- Quarterly - \$2,000 - \$8,000 estimated annual combined Arizona, county and municipal tax liability
- Monthly - More than \$8,000 estimated annual combined Arizona, county and municipal tax liability
- Seasonal - 8 months or less

If you would like to change your filing frequency, please complete and return the [Business Account Update Form](#). Please visit www.azdor.gov for a due dates schedule and for help determining filing and payment deadlines.

TPT 2019 Electronic Annual Estimated Tax Payments

Annual estimated tax payment of transaction privilege, telecommunication services excise and county excise taxes are required if:

- Combined tax liability for transaction privilege, telecommunication services excise and county excise taxes in preceding calendar year was \$1,000,000, or
- If you reasonably anticipate a liability for such taxes of \$1,000,000 or more in the current year.

The **statutory due date for the annual estimated tax payment is June 20**. When filed electronically it must be received by the department no later than Friday, June 28. However, in order for the department to receive an electronic payment by Friday, June 28, that payment must be electronically submitted no later than **5:00 p.m. MST (Mountain Standard Time) on Thursday, June 27**. Taxpayers required to pay electronically** may be subject to penalties for payments 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.

TPT TAX TIPS

- Remember to file your TPT return for April activity.
- Businesses with an annual TPT and use tax liability of \$10,000 or more during the prior calendar year are required to file and pay electronically.**
- Businesses with more than one location are required to file electronically.
- File your TPT return, even if your business didn't make any taxable sales or purchases.
- If you closed your business, you must cancel your license to avoid fees and penalties.

WORKSHOPS AND TRAINING

Business Tax Basics Workshops

ADOR invites you to attend an upcoming business tax basics workshop designed to provide learning and understanding of TPT requirements. Workshop topics include: licensing, location based reporting, tax rates, exemption certificates, exemptions and deduction codes and more. Workshops are available in person and by WebEx. For dates and registration information, visit www.azdor.gov/taxpayer-education/upcoming-events.

TPT Tutorials

ADOR makes available online tutorials on setting up AZTaxes, new user registration, understanding location codes, filing an electronic TPT return and more. To access online tutorials visit www.azdor.gov/taxpayer-education.