



Arizona Department of Revenue

Arizona Form 5088-MRRA

Contractor Notice of Tax Responsibility (MRRA)

Purposes: This Notice's purposes are (1) to designate a contracting project as a MRRA (see instructions for definitions) project; and (2) to reflect the Notice between the project's Contractor and its Subcontractor(s) that the Subcontractor is responsible for TPT due on the materials that it purchases and incorporates into the project. **This form is optional but highly recommended.**

Cautions: This Notice applies only to a single project. The asterisked (*) fields should be completed. If the Notice is otherwise incomplete or erroneous, then the Department may disregard it in accordance with A.R.S. § 42-5008.01 and A.R.S. § 42-5075.E.

This Notice should only be used where there is a reasonable expectation that the project is Maintenance, Repair, Replacement or where the Alteration is unlikely to exceed the threshold. Both the Contractor and the Subcontractor should retain a copy of this Notice for their records.

A. Contractor

* Name	<input type="checkbox"/> TPT License # (if none, write "N/A - MRRA only") _____ <input type="checkbox"/> Tribal Business License # _____ <input type="checkbox"/> Tribal Number _____		
* Address	* City, Town or Post Office	* State	* ZIP Code
AZ Contractor License Number	* Phone Number		

I am a Native American Contractor working on the reservation established for my tribe. (Provide your Tribal Business License or Tribal Number above.)

I am performing contracting work for a Native American member or the Tribe for which the reservation is established named below.
Name of Tribe _____

B. Subcontractor

* Name	* TPT License # (if none, write "N/A - MRRA only") _____		
* Address	* City, Town or Post Office	* State	* ZIP Code
AZ Contractor License Number	* Phone Number		

C. MRRA Project Information

* **MRRA PROJECT DESCRIPTION**
* (For example; Building Permit #, Address, Subdivision, 20-day Notice, or attach contract. This list is not exhaustive.)

NOTES:

- Note One: This Notice applies to only a single project. Additional Notices must be executed for additional projects, as appropriate.
- Note Two: The Subcontractor must retain its receipts for materials in order to calculate TPT owed on those materials, if TPT was not paid at the time of purchase. The retail equivalent TPT would need to be reported under Business Code 315.
If TPT was paid on materials at time of purchase, the Subcontractor must retain its receipts to substantiate that TPT was paid. No additional TPT is required in that instance.
- Note Three: **If the project becomes a modification project, then the Contractor signing this form is required to notify the Subcontractor of the change by issuing the Form 5005 and this notice is automatically revoked. In addition, the Subcontractor upon receipt of Form 5005 will be required to complete the Affidavit: Retail TPT Equivalent Paid by the Subcontractor and provide it to the Contractor who hired him.**

* By my signature I hereby certify that I am the Contractor on the above-identified project, that I have accurately designated the nature of the project, and that I assume no liability for remitting TPT on materials incorporated into the project by the below-signed Subcontractor.

_____ SIGNATURE	_____ PRINT NAME
_____ TITLE	_____ DATE SIGNED

* **Subcontractor's Signature:** I hereby certify that I am a Subcontractor on the above-identified project, that I understand the designated nature of the project, and that I am responsible for remitting TPT on materials that I incorporate into the project.

_____ SIGNATURE	_____ PRINT NAME
_____ TITLE	_____ DATE SIGNED

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GENERAL INSTRUCTIONS

In order to ensure the effectiveness of the Notice, all required fields must be completed.

- A. The "NAME", "ADDRESS", and "TPT LICENSE NUMBER" fields of the Contractor section must be completed.

A contractor who is Native American, working on the reservation established for their tribe will mark the box indicating this.

A contractor working for the Native American or the Tribe on the reservation established for the Tribe will mark the box indicating this. The name of the Tribe must also be included.

- B. The "NAME", "ADDRESS", and "TPT LICENSE" fields of the Subcontractor section must be complete.

- C. "PROJECT DESCRIPTION" must be complete.

- The "SIGNATURE," "TITLE," "PRINT NAME," and "DATE SIGNED" fields of the Signature section must be completed by both the prime contractor and the subcontractor.

Failure to complete these fields as specified may result in the Department disregarding the incomplete Notice.

MRRA

Maintenance: The upkeep of property or equipment.

Repair: Returning existing property to a usable state from a partial or total state of inoperability or non-functionality.

Replacement: Removal from service of existing property of a: (i) *component*; or (ii) *system*; or (iii) *type of tangible personal property*, and replacement with another one that provides the: (i) same; or (ii) similar; or (iii) upgraded design or functionality; regardless of whether the existing component or system or existing tangible personal property is physically removed from the existing property.

Component: One of the parts of a compound or complex whole; helping to make up the whole of something. A component may be part of a system.

System: A regularly interacting or interdependent group of items (or components) forming a unified whole.

Tangible personal property installed in existing property: Property installed into existing real property that can still be identified after installation, that does not lose its character and can be removed in essentially the same form.

Alteration: An activity or action that causes a direct physical change (e.g., adding or expanding square footage) to existing property that cannot be classified as maintenance, repair or replacement and that is under the following thresholds. For *residential* property (see explanation below) the alteration amount is less than 25% of the property's value as determined by the county assessor. For *commercial* property (see explanation below), the alteration amount is for less than \$750,000. If the above thresholds are exceeded, then the project is a modification project (see below).

MRRA: Maintenance, repair, replacement or alteration (under the threshold) project.

Residential: Existing property classified as class two property and that is used for residential purposes (see A.R.S. § 42-12002(1)(c)); class three property (see A.R.S. § 42-12003), or class four property (see A.R.S. § 42-12004).

Commercial: All other existing property not classified as residential (classes one, five, six, seven, eight, and nine). See A.R.S. §§ 42-12001, 42-12005, 42-12006, 42-12007, 42-12008, and 42-12009.