



Arizona Department of Revenue

TPT Newsletter

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April 2022

Transaction Privilege Tax Changes and News

ADOR AUTO-RENEWS 2022 STATE TPT LICENSES

ADOR will be sending renewal billing letters to businesses with overdue renewal fees. Renewals were due on January 1, 2022.

Taxpayers no longer have the ability to renew on AZTaxes.gov, but can still pay the liability. Prompt compliance online can save both time and money. Taxpayers who have closed their business can cancel their existing TPT license through AZTaxes.gov or submit a [Business Account Update form](#) with a cancel effective date. This will ensure your account remains in good standing and avoids additional penalties and interest.

Keep your mailing addresses and account information up-to-date to ensure letters, notices, and billings go to the correct address. Please note, there is a unique address for all renewal forms, correspondence, and payments:

Arizona Department of Revenue
Attn: License and Registration
PO Box 29082
Phoenix, AZ 85038-9082

Renewal forms, correspondence, or payments sent to any other address will delay processing.

As a reminder, operating without proper licensing may be a class 3 misdemeanor.

For more information, visit azdor.gov/transaction-privilege-tax/tpt-license/renewing-tpt-license.

TAX AND LICENSING COMPLIANCE

The goal of the Arizona Department of Revenue (ADOR) is to help business owners maintain tax and licensing compliance. Arizona businesses that engage in activities which are supervised and regulated by one or more federal, state or municipal government offices may be required to obtain special licenses, certifications, or permits.

Businesses that operate commercial weighing and measuring devices (as defined under A.R.S. § 3-3401(13)) must ensure that their devices are licensed with the Arizona Department of Agriculture, Weights and Measures Services Division. For more information, please contact AZDA Licensing at (602) 542-3578 or visit <https://agriculture.az.gov/weights-measures/licensing>.

FEEDBACK OPPORTUNITIES

TPT taxpayers are invited to provide feedback in the following feedback opportunities:

- **Taxpayer Correspondence Response Time Survey:** The Arizona Department of Revenue is continuously improving its efforts to provide excellent customer service to our taxpayers. Please provide an evaluation of your customer experience through [this form](#).



(602) 255-3381 or toll-free at (800) 352-4090



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APPLY | FILE | PAY



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- **Rulings and Procedures:** ADOR accepts feedback on rulings, procedures in an ongoing effort to engage with and inform the public of state and local taxes. For additional details, visit <https://azdor.gov/legal-research/public-comment-rulings-procedures-and-other-documents>.
- **TPT Common Errors Survey:** ADOR asks you participate to determine how to reduce common errors when filing and paying TPT. Click [this form](#) to participate.

FILING FACTS

- Check your business' balance or outstanding liabilities by logging into AZTaxes.gov. Select the account, then click "Pay;" and "Pay Outstanding Liabilities."
- Verify and update your mailing address instantly and securely at AZTaxes.gov.
- Remember to file your TPT return for the prior month's activity.
- File a \$0 TPT return for temporarily closed businesses and residential rental property owners with no sales/or tax due. Go to azdor.gov/transaction-privilege-tax-tpt for more information.
- Keep your account history in good standing and avoid penalties. If no longer in business, cancel your existing TPT license on AZTaxes.gov or submit a Business Account Update Form.
- The tax rate look up tool on AZTaxes.gov is a useful tool for TPT filers in helping them find the TPT rates for any location within Arizona.
- If your primary user email no longer exists, you will need to register as a new user for AZTaxes. ADOR recommends this be an officer/owner of the business. Instructions on registering a new user is located [here](#). Once registered, you will need to complete a Business Account Update to change the primary user to the new user account.
- For a list of deduction codes, see this [list](#). Make sure you are claiming the correct deduction codes on your TPT return.
- Remember to click "Submit" when submitting a TPT return on AZTaxes. Clicking "Save" does not submit your return.

COMMON TPT FILING ERRORS

ADOR wants businesses to be successful when filing their business' transaction privilege tax returns. The main reason TPT paper returns do not process correctly is that they are filed by paper! Filing online at AZTaxes.gov reduces the chance for errors because most of the information included on your return is pre-populated for you based on your TPT license information. If you must file by paper and have an annual waiver in place, let's make sure to file appropriately.

Watch the [Common Errors video](#) to learn some of the top reasons returns do not process correctly to your TPT account and how they can be avoided.

For more helpful tips and error explanations, see the [Notice and Correspondence Resource Center](#).

TAX CHANGES

Pinal County - Effective date of April 1, 2022.

Due to a recent Supreme Court decision, the Pinal County Transportation Tax has been invalidated. Consequently, beginning with the April reporting period, the Pinal County combined tax rate will decrease.

The tax rate changes will be as follows:

Business Code	Description	Old Rate	New Rate (April 1, 2022)
002	Non metal mining	4.117%	3.805%
004	Utilities	7.2%	6.7%





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Business Code	Description	Old Rate	New Rate (April 1, 2022)
005	Communications	7.2%	6.7%
006	Transporting	7.2%	6.7%
007	Private Railcar	7.2%	6.7%
008	Pipelines	7.2%	6.7%
009	Publishing	7.2%	6.7%
010	Job Printing	7.2%	6.7%
011	Restaurant & Bar	7.2%	6.7%
012	Amusements	7.2%	6.7%
014	Rentals of Personal Property	7.2%	6.7%
015	Prime Contracting	7.2%	6.7%
017	Retail (see note below)	7.2%	6.7%
025	Transient Lodging (Hotel/Motel)	7.248%	6.698%
026	Use Tax - Utilities	6.6%	6.1%
049	Jet Fuel Excise Tax	3.965¢	3.66¢
107	PRE-11/07/2017 Prime Contracting	6.7%	Use BC 015
203	Medical Marijuana Retail Sales	7.2%	6.7%
221	Medical Marijuana Restaurants & Bars	7.2%	6.7%
315	MARRA Amount	7.2%	6.7%
325	Online Lodging Marketplace	6.698%	6.148%
367	Retail Sales (Single Item portion over \$10,000)	6.7%	Use BC 015
420	Adult Use Marijuana Retail Sales	7.2%	6.7%
421	Adult Use Marijuana Restaurants & Bars	7.2%	6.7%
605	Remote Sales/Marketplace Facilitator Retail Sales	7.2%	6.7%
616	Marketplace Facilitated or Remote Retail Sales (Single Item portion over \$10,000)	6.7%	Use BC 605
657	Medical Marijuana Retail Sales (Single Item portion over \$10,000)	6.7%	Use BC 203
673	Adult Use Marijuana Retail Sales (Single Item portion over \$10,000)	6.7%	Use BC 420

For Prime Contractors: Effective April 1, 2022, all Contracting activity should be reported in Business Code 015. Prime contractors should use Business Code 107 for the March 2022 and earlier reporting periods. Starting with the April 2022 return, activity previously reported using Business Code 107 should be reported using Business Code 015.

For Retailers: Effective April 1, 2022, all Retail activity should be reported in Business Code 017. Retailers should use Business Code 367 for the March 2022 and earlier reporting periods. Starting with the April 2022 return, activity previously reported using Business Code 367 should be reported using Business Code 017.

For Remote Sales/Marketplace Facilitators: Effective April 1, 2022, all Remote Sales/Marketplace Facilitators activity



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should be reported in Business Code 605. Remote sellers and marketplace facilitators should use Business Code 616 for the March 2022 and earlier reporting periods. Starting with the April 2022 return, activity previously reported using Business Code 616 should be reported using Business Code 605.

City of Tolleson - Effective date of July 1, 2022.

On March 22, 2022, the City of Tolleson passed Ordinance 601, which removes Model Option #15 to establish a use tax, and adopts Local Option #JJ to exempt the city from the use tax. The local use tax is established at a rate of 2.50% Ordinance No. 601 additionally establishes a tiered rate for use tax on a Single Item Portion Over \$5,000 at 2.00%.

The new established (2.00%) affects the following business classifications:
Use Tax (Single Item Portion Over \$5,000 **(359)**).

The new established (2.50%) affects the following business classifications:
Use Tax **(029)**; Use Tax From Inventory **(030)**.

Town of Wellton - Effective date of July 1, 2022.

On March 15, 2022, the Town of Wellton passed and adopted Ordinance 143, which will increase the transaction privilege tax rate from 2.5% to 3.5%.

The (3.5%) affects the following business classifications:
Advertisement **(018)**, Amusement **(012)**; Communications **(005)**; Contracting - Prime **(015)**; Contracting - Speculative Builders **(016)**; Contracting - Owner Builder **(037)**; Hotels **(044)**; Hotel/Motel (Additional Tax) **(144)**; Job Printing **(010)**; Manufactured Buildings **(027)**; MRRRA Amount **(315)**; Publication **(009)**; Rental Leasing & Licensing for Use of TPP **(214)**; Restaurant and Bars **(011)**; Retail Sales **(017)**; Timbering and Other Extraction **(020)**; Transporting **(006)**; Utilities **(004)**.

Marijuana Rates:
Adult Use Marijuana Restaurant **(421)**; Adult Use Marijuana Retail Sales **(420)**; Medical Marijuana Restaurant **(221)**; Medical Marijuana Retail Sales **(203)**; Retail Sales (Accessories and Ancillary Products) **(017)**.

Out-of-State Seller Rates:
Marketplace Facilitated or Remote Retail Sales **(605)**; Marketplace Facilitators in Arizona Retail Sales **(017)**; Marketplace Facilitators in Arizona Third Party Sales **(605)**.

City of Sedona - Effective date of March 1, 2028.

On November 9, 2021, the City of Sedona passed Ordinance 2021-09, amending sections of the City Tax Code. The transaction privilege tax is permanently increased to three and one-half percent (3.5%) effective March 1, 2028 when the temporary increase was set to expire.

The (3.5%) affects the following business classifications:
Amusement **(012)**; Communications **(005)**; Contracting - Prime **(015)**; Contracting - Speculative Builders **(016)**; Contracting - Owner Builder **(037)**; Commercial Rental and Leasing **(213)**; Hotels **(044)**; Hotel/Motel (Additional Tax) **(144)**; Job Printing **(010)**; Manufactured Buildings **(027)**; MRRRA Amount **(315)**; Publication **(009)**; Rental Leasing & Licensing for Use of TPP **(214)**; Restaurant and Bars **(011)**; Retail Sales **(017)**; Timbering and Other Extraction **(020)**; Transporting **(006)**; Utilities **(004)**.

DUE DATE REMINDERS

TPT Filing Frequency and Due Dates*- Monthly

TPT filers are reminded of the following **March** TPT filing deadlines:
• **April 20** - TPT return due date



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- **April 28** - Paper returns must be received by ADOR by 5 p.m. on this date
- **April 29** - Electronic returns must be received by ADOR by 5 p.m. on this date

*The electronic due date for TPT return is dependent on the return and payment being timely and filed electronically. **It is highly encouraged to pay three business days prior to the last business day of the month (April 27) to ensure your payment is accepted and processed into ADOR systems.**

EDUCATION, TUTORIALS AND TRAINING

All ADOR workshops are free of charge. Below are upcoming options available to taxpayers. To register or access online workshops, tutorials and resources, visit azdor.gov/taxpayer-education.

WORKSHOPS

Business Tax Basics - (Via WebEx)

Wednesday, April 20, 2022

1:00 p.m. - 4:00 p.m.

Wednesday, May 4, 2022

9:00 a.m. - noon

Wednesday, May 18, 2022

1:00 p.m. - 4:00 p.m.

Property Management Company Workshop - (Via WebEx)

These workshops are offered as a series and it is recommended to take them in order. Space in each class is limited so visit the [Taxpayer Education web page](#) to sign up today.

Workshop 1: Licensing & Power of Attorney

Monday, May 9, 2022

10:00 a.m. - 11:30 a.m.

Workshop 2: Engaging, Disengaging & More

Tuesday, May 10, 2022

10:00 a.m. - 11:30 a.m.

Workshop 3: File, Pay, Amend & More

Wednesday, May 11, 2022

10:00 a.m. - 11:30 a.m.

Withholding Tax for Business Owners and Payroll Service Providers - (Via WebEx)

Tuesday, April 19, 2022

1:00 p.m. - 4:00 p.m.

Automobile Dealer Business Tax Workshop - (Via WebEx)

Wednesday, May 3, 2022

1:00 p.m. - 4:00 p.m.

ON-DEMAND TAX EDUCATION TUTORIALS: Please visit <https://azdor.gov/taxpayer-education/tpt-tutorials>.

