



# Arizona Department of Revenue

## TPT Newsletter

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July 2024

## Transaction Privilege Tax Changes and News

### NEW TRANSACTION PRIVILEGE TAX EMAIL NOTIFICATIONS

The Arizona Department of Revenue (ADOR) has implemented a new messaging feature from AZTaxes.gov. The automated email reminds transaction privilege tax (TPT) customers who have fallen behind on their tax obligations and may need to be prompted to file a return, pay a balance due, or renew their TPT license. Emailed messages are sent to the email address associated with the AZTaxes.gov registration information.

Below are the circumstances a TPT customer may receive an email:

- A missed filing event such as a monthly, quarterly, or annual transaction privilege tax return.
- An unpaid balance with the Arizona Department of Revenue.
- Annual Renewal Reminder 1 - It's time to renew and the renewal link is available in AZTaxes.
- Annual Renewal Reminder 2 - An upcoming license renewal deadline is approaching.
- Annual Renewal Reminder 3 - A TPT license has been automatically renewed.

In some instances, the email alerts TPT customers to log into AZTaxes to review a communication posted in the Message Center. However, email messages from ADOR will never ask for confidential information (social security number, employee identification number, bank account information, etc.) or login credentials. Once the TPT customer logs into their account and accesses the message center, they will see a more detailed notification stating there is an unpaid balance on their account or that they missed a required filing event.

Our objective is to send friendly reminders to help TPT customers become compliant and more successful in the long run.

### RESIDENTIAL RENTAL TAX CHANGES

[A.R.S. § 42-6004 \(H\)](#) has been amended to prohibit a city, town, or other taxing jurisdiction from levying a transaction privilege, sales, gross receipts, use, franchise or other similar tax or fee, however denominated, on the business of renting or leasing real property for residential purposes. (Lodging spaces rented for 30 days or more). Currently, there is no state transaction privilege (TPT) or county tax imposed on residential rentals. Therefore, Arizona cities will not be able to impose a tax on residential rentals from and after December 31, 2024. The Arizona Department of Revenue (ADOR) will be issuing guidance on this in the coming months.

### QUARTERLY FILER TPT RETURN DUE

If you are a quarterly transaction privilege tax (TPT) filer, your April to June activity is due on your June return, filed in July. Remember you must file a return for each tax period even if no tax is due and/or no sales were made. We strongly encourage taxpayers to file and pay online through [AZTaxes.gov](#) for faster processing and fewer errors.



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



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APPLY | FILE | PAY



## DUE DATE REMINDERS

### TPT Filing Frequency and Due Dates\*- *Monthly, Quarterly*

TPT filers are reminded of the following **June** TPT filing deadlines:

- **July 22** - TPT return due date
- **July 30** - Paper returns must be received by ADOR by 5:00 p.m. on this date
- **July 31** - Electronic returns must be received by ADOR by 5:00 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 (July 26) to ensure your payment is accepted and processed into ADOR system**

## TAX CHANGES

### **City of Page** - *Effective date of September 1, 2024*

On June 12, 2024, the Mayor and Council of the City of Page passed ordinance 731-24, amending the tax code by increasing the rate of taxation on Hotels to five percent (5.0%) and the rate on Hotels (Additional Tax) to five percent (5.0%) providing for severability.

The (5.0%) affects the following business classifications:  
Hotels **(044)**; Hotels (Additional Tax) **(144)**

### **Town of Queen Creek** - *Effective date of October 1, 2024*

On June 5, 2024, the Town of Queen Creek passed ordinance 839-24 thereby repealing the additional one quarter percent (.25%) taxation rate over the rate of taxation on designated sales activities inside the town center as adopted in ordinance 402-07; amending the town tax code and town code as necessary.

The (2.25%) affects the following business classifications:  
Amusement **(012)**; Job Printing **(010)**; Publication **(009)**; Hotels **(044)**; Restaurant and Bars **(011)**; Retail Sales **(017)**; Retail Sales Food for Consumption **(062)**; MRRA Amount **(315)**; Communications **(005)**; Transporting **(006)**; Utilities **(004)**.

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

Remote Seller and Marketplace Facilitators:  
Retail Sales **(605)**; Retail Sales Food for Home Consumption **(606)**; Marketplace Facilitators in Arizona Retail Sales **(017)**; Marketplace Facilitators in Arizona Retail Sales Food for Home Consumption **(062)**; Marketplace Facilitators in AZ Third Party Sales **(605)**; Marketplace Facilitators in AZ Third Party Sales Food for Home Consumption **(606)**.

### **City of Surprise** - *Effective dates of October 1, 2024 and January 1, 2025*

On June 4, 2024, the City of Surprise passed ordinance 2024-09 increasing the tax rate from two and two-tenths percent (2.2%) to two and eight-tenths percent (2.8%) on specified classifications effective October 1, 2024, and decreasing the tax rate to zero on rental occupancy tax and residential rentals effective January 1, 2025. There is a provision for pre-existing contract rates.



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The (2.8%) affects the following business classifications:

Advertising (**018**); Amusements (**012**); Feed for Wholesale (**116**); Job Printing (**010**); Manufactured Buildings (**027**); Timbering and Other Extraction (**020**); Publication (**009**); Hotels (**044**); Commercial Rental, Leasing, and Licensing for Use (**213**); Rental Leasing and Licensing for Use of TPP (**214**); Retail Sales (**017**); MRRRA (**315**); Communications (**005**); Transporting (**006**); Utilities (**004**); Use Tax Purchases (**029**); Use Tax from Inventory (**030**).

Medical and Adult Use Marijuana:

Medical Marijuana Retail Sales (**203**); Adult Use Marijuana Retail Sales (**420**); Retail Sales (Accessories/Ancillary Products) (**017**).

Remote Seller and Marketplace Facilitator:

Retail Sales (**605**); Marketplace Facilitators in Arizona Retail Sales (**017**); Marketplace Facilitators in AZ Third Party Sales (**605**).

The (0.0%) affects the following business classifications:

Residential Rental, Leasing, and Licensing for Use (**045**); Rental Occupancy (**040**).

## ACCOUNT/PERIOD SELECTION FOR ELECTRONIC RETURNS

When filing an electronic TPT return, you will notice three choices listed under Month for selection. **Only** check the boxes that pertain to the return you are filing.

**If filing a routine return, skip selection and choose Continue.**

*Amended Return* - Only check if this return is to correct the figures from a previously filed return. Remember, include all correct lines and any lines that were present on the original return that do not require changes. This will replace the original return.

*No Gross Receipts* - Only check if you are filing a return with zero sales income or no gross receipts to report. Do not check this box if there is tax due and no payment is submitted with this return.

*Close Your Account/Final Return* - Only check if this is your last and final return and you would like to cancel your TPT license. Remember, you must cancel your license if you are closing or you may face penalties and renewal fees.

## GUEST CREDIT/DEBIT CARD PAYMENT OPTION

AZTaxes allows secure access for taxpayers to make individual income tax payments 24 hours a day/7 days a week. Businesses can make a transaction privilege tax (TPT)/use tax credit or debit card payment as a Guest using the Quick Links menu on the AZTaxes homepage. Businesses need to know their license number and business mailing zip code.

Businesses are not required to login to their [AZTaxes](#) account to make a quick payment. Please note: Only registered business users can make an e-check payment. Service charges may apply.

## CUSTOMER ADVISORY ABOUT THIRD PARTY PAYMENT WEBSITES

The Arizona Department of Revenue (ADOR) advises taxpayers to only make online payments through ADOR's official payment website, [AZTaxes.gov](#). For card payments, AZTaxes will redirect to Point and Pay, which is an approved payment card service provider. The Department does not sanction or accept payments through third-party bill payment services outside of Point and Pay.

ADOR does not charge a fee to make payments through e-check, but credit and debit card payments result in a processing service charge.



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Ensure your payment is made through [AZTaxes.gov](https://aztaxes.gov), which accepts electronic corporate, withholding, and transaction privilege tax payments.

For tutorials on making an online payment, see our [Taxpayer Education](#) page.

### TPT TAX TIPS

1. File/Pay online - Save time, file online at [AZTaxes.gov](https://aztaxes.gov).
2. If sending a paper return, use the fillable forms to reduce ADOR keying errors that may occur when interpreting taxpayer's handwriting.
3. No need to send duplicate returns. Duplicate returns create duplicate efforts and may delay processing.
4. Send in a paper return with all taxpayer information. Without it, the return is delayed and can result in penalties. The taxpayer name, SSN/license number, address, and tax period must be entered to process the return to the correct account.
5. Do not send a copy of your electronically filed return. We do not process these extra returns.
6. Use Form TPT-EZ. Do not use Form TPT-1 after the July 2016 period. If you need more lines, you most likely are required to file online by law.
7. No information returns, emails, and documents will be skipped and will result in possible penalties. Ensure you provide accurate and clear information so ADOR can process the information and assist you.
8. File a new Form TPT-2 to amend a return. Do not use a prior paper return or e-filed copied return to amend.
9. Send returns for the appropriate filing frequency. Do not send monthly returns if you are a quarterly or annual filer.

### TPT FILING ERRORS

- **Business Code Error** - Using business codes not currently included on the TPT license. Review the tax rate table for applicable business codes at <https://azdor.gov/business/transaction-privilege-tax/tax-rate-table> or the TPT and Use Tax Rate Look Up tool at [AZTaxes.gov](https://aztaxes.gov).
- **Tax Rate Error** - Tax rates are missing or incorrectly entered for the return period. Check out new or archived tax rate tables for the applicable period at <https://azdor.gov/business/transaction-privilege-tax/tax-rate-table>.
- **Location Code Error** - Tax activity was reported using a location code not listed on the TPT license. Location information is available on the business' registered AZTaxes.gov account and on the TPT license.
- **Deduction Code Error** - Deductions listed in the Schedule A of the TPT return must be complete and must match the Transaction Detail Deductions to be allowed.

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

### 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](https://azdor.gov/taxpayer-education).

#### WORKSHOPS

##### **ADOR Business Tax - (Via WebEx)**

Wednesday, July 24, 2024

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



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# Arizona Department of Revenue **TPT Newsletter**

Wednesday, August 7, 2024  
9:00 a.m. - noon

## **ADOR Business Tax - (In-Person)**

City of Peoria  
Peoria City Hall  
8401 West Monroe Street  
Peoria, AZ 85345  
Thursday, July 25, 2024  
9:00 a.m. - noon

Town of Gilbert  
50 East Civic Center Drive  
Municipal Building 1, Tower Room, Conference Room 146  
Gilbert, AZ 85296  
Thursday, August 8, 2024  
10:00 a.m. - 1:00 p.m.

## **Common TPT Errors and How to Avoid Them - (Via WebEx)**

Thursday, July 25, 2024  
1:00 p.m. - 2:00 p.m.

Thursday, August 8, 2024  
10:00 a.m. - 11:00 a.m.

## **ADOR Withholding Tax for Employers and Payroll Service Providers - (Via WebEx)**

Wednesday, July 31, 2024  
9:00 a.m. - noon

## **Property Management Company - (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 and Power of Attorney  
Monday, August 12, 2024  
10:00 a.m. - 11:30 a.m.

Workshop 2: Engaging, Disengaging, and More  
Tuesday, August 13, 2024  
10:00 a.m. - 11:30 a.m.

Workshop 3: File, Pay, Amend, and More  
Wednesday, August 14, 2024  
10:00 a.m. - 11:30 a.m.

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

