



# Arizona Department of Revenue TPT Newsletter

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[December 2024](#)

## Transaction Privilege Tax Changes and News

### TWO WEEKS LEFT TO RENEW 2025 TRANSACTION PRIVILEGE TAX LICENSE

The Arizona Department of Revenue (ADOR) reminds businesses they are required to renew their transaction privilege tax (TPT) license before January 1, 2025 to continue conducting business in Arizona.

Penalties will be assessed for all renewals after January 31. Unrenewed licenses will not be canceled and will be billed for renewal fees and penalties.

Taxpayers should file, pay, and renew online through [AZTaxes.gov](https://AZTaxes.gov) for easier renewals and faster processing. State law requires taxpayers with multiple business locations to renew their TPT license electronically.

ADOR suggests [simplified tips](#) to streamline the renewal process and reduce errors.

**Remote sellers and marketplace facilitators** without a physical presence in Arizona and having more than \$100,000 in gross sales to Arizona customers in the current calendar year [must renew their TPT licenses](#). If the [threshold](#) was not met in the current calendar year, the business may consider [canceling their TPT license](#) for 2025.

**Marijuana** excise tax licenses are not required to renew, but marijuana TPT licenses must renew each year.

**Residential rental** (business code 045) licenses have been automatically canceled effective December 31, 2024 and will not be renewed for the 2025 calendar year. If the business has other business activity on the same license, the residential rental location will be closed. *No further action or steps* need to be taken to cancel the license or close the location.

ADOR will mail the TPT License Certificate to the mailing address on file once the business has fully paid the applicable fees. Ensure the mailing address is current and update the address before renewing if needed.

Taxpayers no longer in business must [cancel their license](#) to avoid penalties and renewal obligations. This process will help ensure account histories remain in good standing.

View our [video tutorial](#) for visual instructions on completing a license renewal through [AZTaxes.gov](https://AZTaxes.gov). Taxpayers can follow ADOR on [social media](#) to receive tips and reminders.

### RESIDENTIAL RENTAL TAX CHANGES COMING IN THE NEW YEAR

ADOR announces the elimination of transaction privilege tax (TPT) applicable to the rental of real estate for residential purposes (residential rental) as of January 1, 2025. [A.R.S. § 42-6004 \(H\)](#) was amended to exempt residential rental TPT from being levied. Residential rental TPT is reported and collected under business code 045 for long-term lodging stays of 30 days or more.

#### Next Steps for Property Owners

Owners should continue to collect, file, and pay residential rental TPT for periods through December 31, 2024, filed in January 2025. For periods beginning January 1, 2025 and thereafter, individuals should discontinue collecting



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residential rental TPT.

TPT licenses that only have *residential rental* (business code 045) on their account have been automatically canceled effective December 31, 2024. However, property owners are still able to file for periods prior to January 1, 2025. The TPT license (residential rental only) will not be renewed for the 2025 calendar year. If the business has other business activity on the same license, instead the residential rental location will be closed. **No further action** or steps need to be taken to cancel the license or close the location.

Be aware that cancellation of your license will not exempt you from any liabilities related to periods before January 1, 2025. If liabilities are unpaid, enforcement actions may be taken against you. For businesses that cannot afford to pay their tax liability in full, ADOR offers options to help make payments through Collections.

For more information on this change and frequency asked questions, please visit [azdor.gov/business/residential-rental](https://azdor.gov/business/residential-rental)

## ADOR EMAIL TRANSACTION PRIVILEGE TAX NOTIFICATIONS

The Arizona Department of Revenue (ADOR) sends automated emails through AZTaxes.gov to help customers become more compliant and successful in the long run. The automated email reminds transaction privilege tax (TPT) customers who have fallen behind on their tax obligations 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 with the renewal link 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.

## TPT ACCOUNT UPDATES

Businesses should submit any necessary updates to ensure their account is in good standing. If the business or a location is closed, the license must be canceled or the location removed to avoid renewal requirements, as well as applicable fees and penalties.

Businesses should keep their owner/officer information current, as this is how ADOR representatives authorize callers. Owner/officer changes are submitted through the [Business Account Update](#) form.

Taxpayers can watch the [Business Account Update tutorial](#) to learn how to properly complete the paper form.





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### DUE DATE REMINDERS

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

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

- **December 20** - TPT return due date.
- **December 30** - Paper returns must be received at ADOR by this date.
- **December 31** - Electronic return filed in AZTaxes must be submitted before 11:59 p.m. on this date.  
- Electronic payment made in AZTaxes must be submitted before 11:59 p.m. on this date.

\*The electronic due date for TPT return is dependent on the return and payment being timely and filed electronically.

### CONSTRUCTION CONTRACTING

The Arizona Department of Revenue provides resources and webpages to assist contractors. The agency is continuously improving and innovating its website to provide quick guidance to taxpayers.

Taxpayers will find definitions, insight into speculative builders, and key differences between Maintenance, Repair, Replacement and Alteration (MRRA) and Modification.

We encourage contractors to visit the [Contracting Guidelines](#) pages and explore the information.

### TPT FILING FACTS

- **Payment Voucher:** You must mail a TPT-V (voucher) with your paper check when submitting a payment for an e-filed TPT return or late TPT return.
- **Tax Rate:** Use the correct tax rate for the business activity and jurisdiction. When an incorrect rate is used, it could cause a balance due on your account. View the [Tax Rate Tables](#) available on AZDOR.gov monthly.
- **Accounting Credit:** Only available to those that file and pay their returns by the established due dates.
- **Deduction Codes:** Ensure the [deduction code](#) being reported is applicable to the business classification; and the totals entered in the transaction detail tables equal the totals entered into the corresponding Schedule A. Deductions reported with an incorrect or missing deduction code will be disallowed and penalties and interest may apply.

### TAX CHANGES

#### **Town of Gilbert** - Effective date of January 1, 2025

On October 22, 2024, the Common Council of the Town of Gilbert passed Ordinance 2918, amending the Town Tax Code to increase the general transaction tax rate from 1.5% to 2.0%; amending the Town Tax Code to increase the additional rate on Transient Lodging from 2.8% to 5%, withdrawing Model Option 15 to impose a local Use tax; setting a rate for Use tax of 2% and adopting Local Option JJ; providing for severability.

The (2.00%) affects the following business classifications:

Advertising (**018**); Amusement (**012**); Contracting - Prime (**015**); Contracting - Speculative Builders (**016**); Contracting - Owner Builder (**037**); Job Printing (**010**); Manufactured Buildings (**027**); Publication (**009**); Hotels (**044**); Commercial, Rental, Leasing, and Licensing for Use (**213**); Rental, Leasing, and Licensing for Use of TPP (**214**); Restaurant and Bars (**011**); Retail Sales (**017**); Retail Sales Food for Home Consumption (**062**); MRRA Amount (**315**); Communications (**005**); Transporting (**006**); Utilities (**004**); Use Tax Purchases (**029**); Use Tax from Inventory (**030**).

The (5.00%) affects the following business classifications:

Hotel/Motel (Additional Tax) (**144**).



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### 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**); Use Tax Purchases (**029**); Use Tax From Inventory (**030**).

### 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**).

### **Residential Rental Tax** - Ends December 31, 2024

The residential rental tax that many cities and towns in Arizona had in place ends effective December 31, 2024.

The following cities and towns are affected: *Apache Junction, Avondale, Benson, Bisbee, Buckeye, Camp Verde, Carefree, Casa Grande, Cave Creek, Chandler, Chino Valley, Clarkdale, Clifton, Colorado City, Coolidge, Cottonwood, Dewey-Humboldt, Douglas, Duncan, Eagar, El Mirage, Eloy, Florence, Fountain Hills, Fredonia, Gila Bend, Gilbert, Glendale, Goodyear, Guadalupe, Hayden, Holbrook, Huachuca City, Jerome, Kearny, Kingman, Litchfield Park, Mammoth, Maricopa, Mesa, Miami, Nogales, Page, Paradise Valley, Parker, Patagonia, Peoria, Phoenix, Pima, Pinetop-Lakeside, Prescott, Queen Creek, Sahuarita, San Luis, Scottsdale, Sierra Vista, Somerton, South Tucson, Springerville, St. Johns, Star Valley, Superior, Surprise, Taylor, Tempe, Thatcher, Tolleson, Tombstone, Wellton, Wickenburg, Williams, Winkelman, Youngtown, and Yuma.*

If businesses have a license that only reports Residential Rental income, they are not required to renew it.

## 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**

#### **Automobile Dealer Business - (Via WebEx)**

Thursday, December 19, 2024

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

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

Tuesday, January 7, 2025

9:00 a.m. - noon

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

City of Peoria

Peoria City Hall

8401 W. Monroe St.

Peoria, AZ 85345

Thursday, January 16, 2025

10:00 a.m. - 1 p.m.

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

Wednesday, January 8, 2025

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







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### **ADOR PMC Community Connection - (Via WebEx)**

*Friday, January 10, 2025*

*noon - 1:00 p.m.*

### **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, January 13, 2025*

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

#### Workshop 2: Engaging, Disengaging, and More

*Tuesday, January 14, 2025*

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

#### Workshop 3: File, Pay, Amend, and More

*Wednesday, January 15, 2025*

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

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

