



# GENERAL INSTRUCTIONS

## Transaction Privilege, Use, and Severance Tax Return (TPT-2)

ARIZONA DEPARTMENT OF REVENUE  
[www.azdor.gov](http://www.azdor.gov)

### Online Filing

Go to [www.AZTaxes.gov](http://www.AZTaxes.gov)  
If you have more than one location, you are required to file electronically.

### Mailing Address

Arizona Department of Revenue  
PO Box 29010  
Phoenix, AZ 85038-9010

*If you are mailing your Transaction Privilege Tax Return, it must be received by the second to the last business day of the month.*

### Customer Service Center Locations

8:00 a.m. - 5:00 p.m.

Monday through Friday  
(except Arizona holidays)

#### Phoenix Office

1600 W Monroe  
Phoenix, AZ 85007

#### Tucson Office

400 W Congress  
Tucson, AZ 85701

7:00 a.m. - 6:00 p.m.

Monday through Thursday

8:00 a.m. - 12:00 p.m.

Friday

(except Arizona holidays)

#### Mesa Office

55 N Center  
Mesa, AZ 85201

(This office does not handle billing or account disputes.)

### Customer Service Telephone Numbers

8:00 a.m. - 5:00 p.m.

Monday through Friday

(Except legal Arizona state holidays)

#### Phoenix Area

(602) 255-3381

#### Within Arizona

1 (800) 352-4090

### Online Filing:

The Arizona Department of Revenue's taxpayer service center website is [www.AZTaxes.gov](http://www.AZTaxes.gov). It provides taxpayers with the ability to file tax returns, pay taxes, conduct other transactions, and review tax account information over the internet. Save time and expense and comply with due date requirements with ease and convenience. Enroll your registered business at [www.AZTaxes.gov](http://www.AZTaxes.gov). For taxpayers who file and pay taxes electronically, the Department must receive the tax return and payment on or before the last business day of the month; therefore, this transaction must be completed before 5:00 p.m. MST (Mountain Standard Time) on the preceding business day. If you have more than one location, you are required to file electronically.

### Who Must File:

**Form TPT-2 is for filing periods beginning on or after June 1, 2016.** Businesses with income subject to transaction privilege tax, county excise tax, use or severance tax must file a transaction privilege tax return even if there is no tax liability due for the tax period. City tax for all cities is also reported on Form TPT-2. Table II of the TRANSACTION PRIVILEGE AND OTHER TAX RATE TABLES lists the Cities tax rates which are available on the Department's website ([www.azdor.gov](http://www.azdor.gov)).

### Due Date for TPT-2:

Arizona Revised Statutes (A.R.S.) § 42-5014 states that Form TPT-2 is **due** on the 20<sup>th</sup> day of the month following the month (or other reporting period) in which the tax is collected or accrued. However, for taxpayers that file by mail or in person, the return and payment will be considered to be filed timely if received by the Department on or before the second to the last business day of the month. *A business day is any day except Saturday, Sunday, or a legal Arizona state holiday.* For electronically filed returns, see "Online Filing" above.

### Penalties:

Any return that is not filed timely is subject to a late filing penalty. The late file penalty, imposed by A.R.S. § 42-1125(A), as qualified by A.R.S. § 42-5014(E), is four and one-half percent. The late filing penalty is computed against the total amount of tax **reported** on the return, without any deduction for tax that was paid on or before the due date. A late payment penalty, imposed by A.R.S. § 42-1125(D), is assessed when the tax due for the return is not paid by the due date. The late payment penalty is one-half of one percent. Other penalties may apply as provided in A.R.S. § 42-1125. Penalties and interest are assessed based on the statutory due date of the 20<sup>th</sup> day of the month.

### Amended Returns:

Form TPT-2 must also be used to amend original returns that were previously filed for any reporting periods. To amend a previously filed Form TPT-2, check the "AMENDED RETURN" box under TAXPAYER INFORMATION section. Complete the return with the corrected numbers only. **Do not use negative numbers and do not submit a return with negative numbers** to amend a prior period. Include all lines that were present on the original return, even if there are no changes to some lines.

### Amended Return Due Date:

An amended return that results in a refund or credit, must be filed within four years of the due date of the original return or four years from the date the original return was filed, whichever date is later. A taxpayer may not use an amended return to change a payment of estimated tax or to change the application of a claimed estimated tax payment.

**NOTE:** If the Transaction Privilege Tax liability is **increased**, the accounting credit is limited to the previous amount claimed on the original return. In addition, if an estimated tax payment was claimed on the original return, do not restate the payment.

TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX RETURN - (TPT-2)		PAGE 1 OF _____	
Arizona Department of Revenue PO Box 26010 - Phoenix, AZ 85038-0010 <small>For assistance out of state or in the Phoenix area: (602) 255-3381 or Statewide, toll free area codes 520 and 928: (800) 352-4090</small>		Form TPT-2 is for filing periods beginning on or after June 1, 2016.	
<input type="checkbox"/> AMENDED RETURN <input type="checkbox"/> FINAL RETURN (cancel license) <input type="checkbox"/> CHECK HERE AND SIGN BELOW IF YOU HAVE NO GROSS RECEIPTS TO REPORT		TPT-2 return is due the 20th day of the month following the month in which the transactions were conducted.	
<b>TAXPAYER INFORMATION</b> BUSINESS NAME (1) _____ C/O _____ MAILING ADDRESS _____ CITY _____ STATE _____ ZIP CODE _____ <input type="checkbox"/> ADDRESS CHANGED (MAILING ADDRESS ONLY)    BUSINESS PHONE NUMBER _____		TAXPAYER IDENTIFICATION NUMBER: <input type="checkbox"/> SSN <input type="checkbox"/> EIN (2) LICENSE NUMBER (3) PERIOD BEGINNING _____ PERIOD ENDING _____ (4) REVENUE USE ONLY; DO NOT MARK IN THIS AREA	
AA NET AZ/COUNTY TAX (PAGE 2, LINE MM, COLUMN M) BB NET CITY TAX (PAGE 3, LINE RR, COLUMN M) CC NET TAX DUE ON THIS RETURN (LINE AA + LINE BB + LINE CC) DD TPT ESTIMATED PAYMENTS TO BE USED ON THIS RETURN (JUNE RETURN ONLY; DUE IN JULY) EE TAX DUE NET OF TPT ESTIMATED PAYMENTS (LINE CC - LINE DD + LINE EE) FF TOTAL AMOUNT REMITTED WITH THIS RETURN		POSTMARK DATE _____ RECEIVED DATE _____	
NOTE: A TRANSACTION DETAIL PAGE IS REQUIRED OR THE RETURN WILL NOT PROCESS CORRECTLY AND PENALTIES MAY APPLY.			
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
<input type="checkbox"/> The taxpayer designates the individual listed below as the person to contact to schedule an audit of this return and authorizes the disclosure of confidential information to this individual.		<input type="checkbox"/> The taxpayer designates the individual listed below as the person to contact to schedule an audit of this return and authorizes the disclosure of confidential information to this individual.	
TAXPAYER PRINTED NAME _____ TAXPAYER SIGNATURE _____ DATE _____ TAXPAYER PHONE NO. _____ TITLE _____		PAID PREPARER'S PRINTED NAME (OTHER THAN TAXPAYER) _____ PAID PREPARER'S TIN _____ PAID PREPARER'S SIGNATURE (OTHER THAN TAXPAYER) _____ PAID PREPARER'S PHONE _____	
PLEASE MAKE CHECK PAYABLE TO ARIZONA DEPARTMENT OF REVENUE			

When completing this form, please print or type in black ink. Legible returns are required for accurate processing. The following numbered instructions correspond to the numbers on the sample Form TPT-2. Please complete a **Transaction Detail Page** for both the State/County and City transactions. **A Transaction Detail Page is required or the return will not process correctly and penalties may apply.**

If the return is an amended return, if you are canceling your license and this is your final return, or if you have **no gross receipts** (zero sales income) to report, **please check the appropriate box.**

**NOTE:** The "Check here and sign below if you have no gross receipts to report" check box is **ONLY** used if you are filing a return to report that you have 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.

## Taxpayer Information

### 1 Business Name and Address

If you are preparing a blank form complete all required information. If you are completing a preprinted form, check the accuracy of the business name and mailing address printed on the form. Make corrections on the form as required. If you make changes to the address, check the "Address Changed" box.

### 2 Taxpayer Identification Number

In addition to the Transaction Privilege Tax License Number, a Taxpayer Identification Number is also required when filing any return. Check the accuracy of the Taxpayer Identification Number. The Taxpayer Identification Number is the number that the licensee uses to report federal income tax for the business; either the federal employer identification number (EIN) or social security number (SSN). Missing, incorrect, or illegible Taxpayer Identification Numbers may result in a penalty and will cause delays in processing the return.

### 3 License Number

If you are preparing a blank form, enter the Transaction Privilege Tax and Use Tax license number issued to you by Arizona Department of Revenue. If you are completing a preprinted form, check accuracy of the license number preprinted on the form. This number should include all eight (8) numerical digits. The license number must also be entered in the top right hand corner of all other pages of the return.

### 4 Reporting Period

Check the accuracy of the PERIOD BEGINNING and the PERIOD ENDING boxes, and make corrections as required. If this information is missing, enter the correct periods in an eight-digit format (MMDDYYYY). Taxpayers authorized by the Department to file on a quarterly or annual basis, must enter the applicable first and last months of the quarter or year. *Quarterly periods are: January through March, April through June, July through September, October through December. Annual is: January through December.*

*Example format for Monthly period: 01/01/2015 is Period Beginning and 01/31/2015 is Period Ending.*

*Example format for second Quarterly period: 04/01/2015 is Period Beginning and 06/30/2015 is Period Ending.*

*Example format for Annual period: 01/01/2015 is Period Beginning and 12/31/2015 is Period Ending.*

## Summary Totals

### 5 Line AA: Net AZ/County Tax

Enter the amount from Page 2, line MM, column M of this form. This is the net tax amount due for State and County transactions.

### Line BB: Net City Tax

Enter the amount from Page 3, line RR, column M of this form. This is the net tax amount due for City transactions. If there is only city tax reported, complete and attach city detail and Schedule A pages only.

### Line CC: Net Tax Due

Add lines AA and BB, enter the results on this line. This is the total net tax due.

### Line DD: TPT Estimated Payments to be Used on this Return

Visit AZTaxes.gov to make your Transaction Privilege Tax Estimated Payment. **This only applies to the June TPT-2 return due in July.** If you are not required to pay an annual estimated tax payment or did not make an estimated tax payment, then leave line DD blank.

#### Annual Estimated Tax Payment Requirement

Some taxpayers are required to make a single annual estimated tax payment on June 20th. Taxpayers who had an annual tax liability of \$1,000,000 or more in the preceding calendar year, or those who can reasonably anticipate such liability in the current year, are required to make an annual estimated tax payment. (See A.R.S. § 42-5014, A.A.C. Rule R15-5-2215 for additional information and instructions.)

### Line EE: Tax Due Net of TPT Estimated Payment

Subtract line DD from line CC and enter the result on this line. This is the total amount of tax due.

### Line FF: Total Amount Remitted with this Return

Enter the total amount remitted with this return.

### 6 Taxpayer's Signature

Enter your first and last name, and **sign and date** this form. Please include a daytime phone number.

**NOTE:** If you wish to **designate another individual** as the person to contact regarding the information provided on this return, check the box next to the statement "The taxpayer designates the individual listed below as the person to contact to schedule an audit of this return and authorizes the disclosure of confidential information to this individual". The designee must sign on the line for "Paid Preparer's Signature (Other Than Taxpayer)" and provide his or her daytime phone number.

If the return has been prepared by a paid preparer who is registered with the Internal Revenue Service (IRS), that person must include their preparer's Taxpayer Identification Number (TIN).

**Any additional penalties and interest that may be due as a result of late filing or late payment will be billed to the taxpayer.**

**NOTE: A TRANSACTION DETAIL PAGE IS REQUIRED OR THE RETURN WILL NOT PROCESS CORRECTLY AND PENALTIES MAY APPLY. There are two different pages for transaction detail; one is for State (AZ)/County transactions and the other is for City transactions. For example, if you have retail sales in Gilbert you will complete a State/County page for those transactions and enter the Region Code "MAR" for Maricopa County and use a City page for the same transactions and enter the City Code GB for Gilbert.**

Page 2 - State (AZ)/County Transaction Detail

NOTE: A TRANSACTION DETAIL IS REQUIRED OR THE RETURN WILL NOT PROCESS CORRECTLY AND PENALTIES MAY APPLY.

TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX RETURN - (TPT-2)											LICENSE NUMBER: _____		PAGE 2 OF _____	
STATE (AZ) /COUNTY TRANSACTION DETAIL (See Table 1 on the Tax Rate Table, www.azdor.gov)														
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)		
REG. CODE	NAME OF REGION	BUS. CODE	DESC. OF BUS. ACTIVITY	GROSS RECEIPTS	DEDUCTIONS FROM SCHEDULE A	(F) - (G) = (H) NET TAXABLE	AZ / COUNTY TAX RATE	(H) X (I) = (J) TOTAL TAX	ACCTG CREDIT RATE	(H) X (K) = (L) ACCOUNTING CREDIT	(J) - (L) = (M) AZ/COUNTY TAX DUE			
1														
2	7	8	9	10	11	12	13	14	15	16	17	18		
3														
25														
20 GG SUBTOTAL .....														
HH TOTALS FROM ADDITIONAL AZ/COUNTY PAGE(S) .....														
II TOTAL (LINE GG + LINE HH = LINE II) .....														
21 JJ EXCESS TAX COLLECTED .....														
KK EXCESS TAX ACCOUNTING CREDIT: (SEE INSTRUCTIONS) .....														
LL NET AZ/COUNTY EXCESS TAX COLLECTED (LINE JJ, COLUMN (M) - LINE KK, COLUMN (M)) .....														
MM NET AZ/COUNTY TAX (LINE II, COLUMN (M) + LINE LL, COLUMN (M)) .....														

Transaction Detail - State(AZ)/County

- 7 [Column A] - Leave blank
- 8 Region Code [Column B]  
This column identifies the three letter region code for counties or special regions in which you conduct business. (For example, MAR is for Maricopa County.) Please refer to the TAX RATE TABLES at www.azdor.gov for the appropriate region codes.
- 9 Name of Region [Column C]  
This column indicates the county or special region in which you conduct business.
- 10 Business Code [Column D]  
This column identifies the three digit number corresponding to your business activity, which can be found in TAX RATE TABLES. (For example, 017 is the business code for a retail business.)
- 11 Description of Business Activity [Column E]  
This column will identify your type of business, or business activity. For example, retail, restaurant/bar, etc. A list of business activities and the applicable business codes, can be found in the TAX RATE TABLES at www.azdor.gov.
- 12 Gross Receipts [Column F]  
For each line item (reported business activity by county or region), enter the gross amount. If you are using the cash receipts basis of accounting, gross amount includes all money, cash or other consideration received during the reporting period of the return. If you are using the accrual basis of accounting, gross amount includes the total amount of revenue you invoiced, billed or otherwise recognized during this reporting period. For both methods of reporting, the amount reported as gross receipts should include the tax. The tax will be deducted in column G.
- 13 Deductions from Schedule A [Column G]  
Enter the amount from Schedule A.
- 14 Net Taxable Amount [Column H]  
Subtract column G from column F. This is the net income subject to tax.
- 15 AZ/County Tax Rate [Column I]  
If the return is not preprinted or you are preparing a blank form, you can find the combined state and county tax rates by checking the TAX RATE TABLES at www.azdor.gov. If you receive your tax returns by mail or file online, the tax rates for your activity or for the counties for which you report should be preprinted on Form TPT-2. Enter the percentage in decimal form. Do not include the percent sign (%) with the amount. For example, 6.5% should be entered as .065.
- 16 Total Tax Amount [Column J]  
Multiply column H by column I. Enter the result in column J.
- 17 Accounting Credit Rate [Column K]  
The accounting credit rate for your business activity should be preprinted on the form. If you are preparing a blank form, you can find the accounting credit rates in TAX RATE TABLES. Enter the percentage in decimal form. Do not include the percent sign (%) with the amount. For example, 6.5% should be entered as .065.

Accounting Credit

The State of Arizona provides a credit for accounting and reporting expenses. The accounting credit is applicable **only** to Transaction Privilege Tax or Severance Tax; it does not apply to city, county or other taxes. (See **TAX RATE TABLES** at www.azdor.gov for the state business codes eligible for the accounting credit.) The Department allows this credit to taxpayers who file and pay their transaction privilege taxes timely and in full. If these conditions are not met, the accounting credit will be disallowed. The credit is equal to 1% of the amount of state tax due, but **cannot exceed \$10,000** per business entity for a calendar year. **NOTE:** Taxpayers who file this return **electronically** during a calendar year and continue to file electronically, are now able to claim an increased accounting credit from 1 percent to 1.2 percent; this increases the total calendar year credit limit from \$10,000 to \$12,000. Please go to www.aztaxes.gov to register to file and pay online to get the increased credit. (See **A.R.S. § 42-5017** for more information.)

- 18 Accounting Credit [Column L]  
Multiply column H by column K. Enter the result in column L. This is your accounting credit.
- 19 AZ/County Tax Due [Column M]  
Subtract column L from column J. This is the tax due for this line item.
- 20 Subtotals/Totals  
**Line GG - Subtotal:**  
Total amounts in each of the columns F, G, H, J, L and M. Enter the result on this line for each column.  
**Line HH – Totals from Additional AZ/County Page(s):**  
Add the totals from all additional AZ/County page(s) and enter the totals on this line.  
**Line II - Totals:**  
Add lines GG and HH, enter the result on this line.
- 21 Excess Tax  
**Line JJ – Excess Tax Collected:**  
By law, if you collected more tax than is calculated as due, the combined excess tax must be reported and paid to the Department of Revenue. Enter **State** excess tax collected on this line.  
**Line KK – Excess Tax Accounting Credit:**  
Complete the worksheet on the following pages to determine your **Excess Tax Accounting Credit**.  
If you are eligible to take an Accounting Credit, you may take an Accounting Credit for Excess Tax Collected. Because the Accounting Credit applies only to taxes paid for the state and not the counties, you will need to use the worksheets to calculate your accounting credit.  
**Line LL – Net AZ/County Excess Tax Collected:**  
Subtract line KK from line JJ.  
**Line MM – Net AZ/County Tax:**  
Add lines II and LL. Enter result on this line and on Page 1, line AA.  
**For any return which requires more than twenty five (25) lines, use a continuation sheet (i.e. 2A) to report additional lines, and number the pages appropriately. Please be sure to select the correct additional transaction detail page.**

**State (AZ)/County Excess Tax Examples/Worksheets**

The following examples show how to determine your Excess Tax Accounting Credit. Check TAX RATE TABLE for latest rates.

**For all Business Activities except Non-metal Mining and Transient Lodging.** Use this worksheet for business codes Utilities-004; Communications-005; Transporting-006; Private (Rail) Car-007; Pipeline-008; Publication-009; Job Printing-010; Restaurant & Bar-011; Amusements-012; Personal Property Rentals-014; Prime Contracting-015; and Retail-017.

**Example**

	(A) Business Code	(B) Excess Tax Amount	(C) 5.6%	(D) State(AZ)/County Tax Rate (from TAX RATE TABLE)	(E) (C) / (D) = (E)	(F) Accounting Credit Rate (E) X (.01) = (F)	(G) Accounting Credit Amount (F) X (B) = (G)
	EXAMPLE						
Maricopa	017	\$500	5.6%	6.3%	.888	.0089	\$4.45
Coconino	011	\$100	5.6%	6.9%	.8116	.00812	\$0.81
<b>SUBTOTAL:</b> Add amounts in column G. Enter the result here and in the summary.....							

**ACTUAL WORKSHEET**

	(A) Business Code	(B) Excess Tax Amount	(C) 5.6%	(D) State(AZ)/County Tax Rate (from TAX RATE TABLE)	(E) (C) / (D) = (E)	(F) Accounting Credit Rate (E) X (.01) = (F)	(G) Accounting Credit Amount (F) X (B) = (G)
			5.6%				
			5.6%				
<b>SUBTOTAL:</b> Add amounts in column G. Enter the result here and in the summary.....							

**For Non-metal Mining Activities (Business Code 002)**

**Example**

	(A) Business Code	(B) Excess Tax Amount	(C) 3.125%	(D) State(AZ)/County Tax Rate (from TAX RATE TABLE)	(E) (C) / (D) = (E)	(F) Accounting Credit Rate (E) X (.01) = (F)	(G) Accounting Credit Amount (F) X (B) = (G)
	EXAMPLE						
Maricopa	002	\$500	3.125%	3.562%	.877	.00877	\$4.39
Pima	002	\$100	3.125%	3.437%	.909	.00909	\$0.91
<b>SUBTOTAL:</b> Add amounts in column G. Enter the result here and in the summary.....							

**ACTUAL WORKSHEET**

	(A) Business Code	(B) Excess Tax Amount	(C) 3.125%	(D) State(AZ)/County Tax Rate (from TAX RATE TABLE)	(E) (C) / (D) = (E)	(F) Accounting Credit Rate (E) X (.01) = (F)	(G) Accounting Credit Amount (F) X (B) = (G)
	002		3.125%				
	002		3.125%				
<b>SUBTOTAL:</b> Add amounts in column G. Enter the result here and in the summary.....							

For Transient Lodging Activities (Business Code 025)

Example

County	(A) Business Code	(B) Excess Tax Amount	(C) 5.5%	(D) State(AZ)/County Tax Rate (from TAX RATE TABLE)	(E) (C) / (D) = (E)	(F) Accounting Credit Rate (E) X (.01) = (F)	(G) Accounting Credit Amount (F) X (B) = (G)
	EXAMPLE						
Pinal	025	\$1000	5.5%	6.698%	.8211	.00821	\$8.21
Yavapai	025	\$250	5.5%	6.325%	.87	.0087	\$2.17
<b>SUBTOTAL:</b> Add amounts in column G. Enter the result here and in the summary.....							

ACTUAL WORKSHEET

County	(A) Business Code	(B) Excess Tax Amount	(C) 5.5%	(D) State(AZ)/County Tax Rate (from TAX RATE TABLE)	(E) (C) / (D) = (E)	(F) Accounting Credit Rate (E) X (.01) = (F)	(G) Accounting Credit Amount (F) X (B) = (G)
	025		5.5%				
	025		5.5%				
<b>SUBTOTAL:</b> Add amounts in column G. Enter the result here and in the summary.....							

SUMMARY OF ACTUAL WORKSHEETS

SUBTOTAL FROM MOST BUSINESS CLASSIFICATIONS	
SUBTOTAL FROM NON METAL MINING	
SUBTOTAL FROM TRANSIENT LODGING	
<b>TOTAL (ENTER ON PAGE 2, LINE KK)</b>	

## Page 3 - City Transaction Detail

If only city tax is reported on Form TPT-2, complete and attach city detail and Schedule A pages only.

**NOTE: A TRANSACTION DETAIL IS REQUIRED OR THE RETURN WILL NOT PROCESS CORRECTLY AND PENALTIES MAY APPLY.**

TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX RETURN - (TPT-2)											LICENSE NUMBER: _____		PAGE 3 OF _____	
CITY TRANSACTION DETAIL (See Table 2 on the Tax Rate Table, www.azdor.gov)														
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)		
LOC. CODE	CITY CODE	NAME OF CITY	BUS. CODE	DESC. OF BUS. ACTIVITY	GROSS RECEIPTS	DEDUCTIONS FROM SCHEDULE A	(F) - (G) = (H) NET TAXABLE	CITY TAX RATE	(H) X (I) = (J) TOTAL TAX		CITY CREDIT	(J) - (L) = (M) CITY TAX DUE		
1														
2	22	23	24	25	26	27	28	29	30	31	32	33		
3												34		
25														
35	NN	CITY SUBTOTAL .....												
	OO	CITY SUBTOTALS FROM ADDITIONAL CITY PAGE(S) .....												
	PP	CITY TOTAL (LINE NN + LINE OO = LINE PP) .....												
	QQ	CITY EXCESS TAX COLLECTED .....												
	RR	NET CITY TAX (LINE PP, COLUMN (M) + LINE QQ, COLUMN (M)) .....												

### Transaction Detail - City

- 22 Location Code [Column A]**  
This is a three digit numeric code that identifies each location where you are doing business. This code can be found on your printed license. The location code will be provided to you at the time you obtain a license or when you renew your current license.
- 23 City Code [Column B]**  
This column identifies the city or town in which you conduct business. The city code is two letters (for example KM is for Kingman). Please refer to the **TAX RATE TABLES** at www.azdor.gov for the appropriate city codes.
- 24 Name of City [Column C]**  
This column indicates the name of the city or town in which you conduct business.
- 25 Business Code [Column D]**  
This column identifies the three digit number that corresponds to your business activity which can be found in **TAX RATE TABLES** at www.azdor.gov. (For example, 017 is the business code for a retail business).
- 26 Description of Business Activity [Column E]**  
In this column provide a brief explanation of your business activity (for example retail, restaurant and bar, etc.)
- 27 Gross Receipts [Column F]**  
For each line item (reported business activity by city or town), enter the gross amount. If you are using the cash receipts basis of accounting, enter the gross amount which includes all money, cash or other consideration you received during the reporting period of the return. If you are using the accrual basis of accounting, enter the total amount of revenue you invoiced, billed or otherwise recognized during this reporting period. For both methods of reporting, the amount reported as gross receipts should include the tax amount collected. The tax will be deducted in column G.
- 28 Deductions from Schedule A [Column G]**  
Enter the amount or combined amounts from Schedule A.
- 29 Net Taxable Amount [Column H]**  
Subtract column G from column F. This is the net income subject to tax.
- 30 City Tax Rate [Column I]**  
If the return is not preprinted or you are preparing a blank form, you can find the tax rates by checking the **TAX RATE TABLES** at www.azdor.gov. If you receive your tax returns by mail or file online, the tax rates for your business activities or for the cities for which you report should be preprinted on Form TPT-2. Enter the percentage in decimal form. Do not include the percent sign (%) with the amount. For example, 6.5% should be entered as .065.

- 31 Total Tax Amount [Column J]**  
Multiply column H by column I. Enter the result in column J.
- 32 [Column K] - Leave blank**
- 33 City Credit [Column L]**  
**FOR USE BY OWNER-BUILDERS OR SPECULATIVE BUILDERS ONLY**  
The tax credit shall equal one of two amounts:  
1. The amount of City Privilege or Use Tax, or the equivalent excise tax, paid directly to a taxing jurisdiction by the owner-builder or speculative builder or as a separately itemized charge paid directly to the vendor, with respect to the tangible personal property incorporated into the said structure or improvement to real property by the owner-builder or speculative builder.  
2. The amount of Privilege Taxes paid to this City by a construction contractor or charged separately to the speculative builder by a construction contractor, on the gross income derived by the construction contractor from the construction of any improvement to the real property.  
*This tax credit cannot be taken by a construction contractor as an offset to the tax due on construction contracting receipts or draws. It is the responsibility of the construction contractor to acquire materials incorporated into the project tax exempt and to properly exempt subcontractors.*
- 34 City Tax Due [Column M]**  
Subtract column L from column J. This is the tax due for this line item.
- 35 Subtotals/Totals**  
**Line NN - Subtotal:**  
Total amounts in each of the columns F, G, H, J, L and M. Enter the result on this line for each column.  
**Line OO - Totals from Additional City Page(s):**  
Add the totals from all additional City page(s) and enter the totals on this line.  
**Line PP - Totals:**  
Add lines NN and OO, enter the result on this line.  
**Line QQ - Excess Tax Collected:**  
By law, if you collected more tax than is calculated as due, the combined excess must be reported and paid to the Department of Revenue. Enter city excess tax collected on this line.  
**Line RR - Net City Tax:**  
Add lines PP and QQ. Enter result on this line. Also enter this result on Page 1, line BB.

*For any return that requires more than twenty five (25) lines, use a continuation sheet (i.e. 3A) to report additional lines, and number the pages appropriately. Please be sure to select the correct additional transaction detail page.*

# SCHEDULE A DEDUCTIONS STATE (AZ)/COUNTY AND CITY

Schedule A must be completed and attached for deductions to be allowed. Unsubstantiated or incorrect deductions will be disallowed and penalties and interest will apply.

### Schedule A- Deduction Detail

Taxpayers are required to report the total amount of gross receipts received during the reporting period. This amount includes receipts from nontaxable transactions as well as any added charge passed on to cover the transaction privilege tax or identified as being added to cover the transaction privilege tax. The deductions listed in column G must be itemized by category. The total amount shown in Schedule A must equal the total of the amounts shown in column G. **If the deductions shown in column G are not itemized in Schedule A, the deductions taken in column G will be disallowed.** Each deduction under the Arizona Revised Statutes and Model City Tax Code has been assigned a deduction code. Many of the deduction codes can be used for several business activities, as allowed by statute or code. **If a deduction claimed under a business activity is not applicable, the deduction will be disallowed. Negative dollar deduction amounts are not allowed.**

The most common deduction is the deduction for state, county and municipal taxes (Code 551). You are allowed a deduction for any added charge passed on to cover the transaction privilege tax or identified as being added to cover the transaction privilege tax and included in gross receipts. If the tax was not separately identified, you are allowed to assume that the tax is included in the gross receipts amount and you may factor that tax. This deduction is allowed to avoid calculating tax on an amount that already includes tax. Taxes may be factored from gross receipts by using a mathematical formula or by using Business Tax Factoring options provided on the Department of Revenue's website. The deduction code descriptions are paraphrased. A complete listing of the codes and the statutory language of the deductions, as well as guidance provided by the Department of Revenue, is available only at [www.azdor.gov/Forms/TPT.aspx](http://www.azdor.gov/Forms/TPT.aspx).

TPT-2 - SCHEDULE A DEDUCTIONS - STATE/COUNTY TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX						LICENSE NUMBER: _____	Page: _____
STATE (AZ)/COUNTY DEDUCTIONS DETAIL							
(A)	(B)	(C)	(D)	(E)	(F)		
LOCATION CODE	REGION CODE	BUSINESS CODE	DEDUCTION CODE	DEDUCTION AMOUNT	DESCRIPTION OF DEDUCTION CODE		
1	36	37	38	39	40	41	
2							
3							
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97							
98							
99							
100							
AA	SUBTOTAL OF DEDUCTIONS						
BB	DEDUCTIONS TOTALS FROM ADDITIONAL AZ/COUNTY PAGE(S)						
CC	TOTAL DEDUCTIONS (LINE AA + LINE BB + LINE CC)						
TOTAL MUST EQUAL TOTAL ON PAGE 2, LINE 8, COLUMN G							

### Schedule A - State (AZ)/County

- 36 [Column A] - Leave blank**
- 37 Region Code [Column B]**  
This column identifies the county or special region in which you conduct business. The region code is three letters (for example, MAR is for Maricopa County). Please refer to the **TAX RATE TABLES** at [www.azdor.gov](http://www.azdor.gov) for the appropriate region codes.
- 38 Business Code [Column C]**  
This column identifies the three digit number corresponding to your business code, which can be found in **TAX RATE TABLES** at [www.azdor.gov](http://www.azdor.gov). (for example. 017 is the business code for a retail business).
- 39 Deduction Code [Column D]**  
Choose the appropriate deduction code from the **Deduction Code** list at [www.azdor.gov](http://www.azdor.gov).
- 40 Deduction Amount [Column E]**  
In this column list the specific amount of each deduction. The total itemized deduction amount in Schedule A – State (AZ)/County must equal the total deduction amount in column G on the Transaction Detail – State (AZ)/County page of the return. **Negative dollar deduction amounts are not allowed.**

- 41 Description of Deduction Code [Column F]**  
Enter a brief description of the deduction you are taking on this line (for example RESALE: Sales for resale).
- 42 Subtotals/Totals**  
**Line AA - Subtotal:**  
Total column E. Enter the result on this line.  
**Line BB – Totals from Additional State (AZ)/County Page(s):**  
Add the totals from all additional State (AZ)/County Schedule A page(s) and enter the total on this line.  
**Line CC - Totals:**  
Add lines AA and BB, enter the result on this line. This total must be equal to the total on Page 2, line II, column G.  
*For any return that requires more than thirty five (35) lines, use a continuation sheet to report additional lines, and number the pages appropriately. Please be sure to select the correct additional deduction detail page.*

TPT-2 - SCHEDULE A DEDUCTIONS - CITY TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX						LICENSE NUMBER: _____
CITY DEDUCTIONS DETAIL						
(A)	(B)	(C)	(D)	(E)	(F)	
LOCATION CODE	CITY CODE	BUSINESS CODE	DEDUCTION CODE	DEDUCTION AMOUNT	DESCRIPTION OF DEDUCTION CODE	
1	43	44	45	46	47	48
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AA	SUBTOTAL OF DEDUCTIONS					
BB	DEDUCTIONS TOTALS FROM ADDITIONAL CITY PAGE(S)					
CC	TOTAL DEDUCTIONS (LINE AA + LINE BB + LINE CC)					
TOTAL MUST EQUAL TOTAL ON PAGE 3, LINE PP, COLUMN G						

- Schedule A - City**
- 43 Location Code [Column A]**  
Enter the same location code as appears on the applicable City Transaction Detail.
- 44 City Code [Column B]**  
This column identifies the city or town in which you conduct business. The city code is two letters (for example KM is for Kingman). Please refer to the **TAX RATE TABLES** at [www.azdor.gov](http://www.azdor.gov) for the appropriate city codes.
- 45 Business Code [Column C]**  
This column identifies the three digit number corresponding to your business code, which can be found in **TAX RATE TABLES** at [www.azdor.gov](http://www.azdor.gov) (for example 017 is the business code for a retail business).
- 46 Deduction Code [Column D]**  
Choose the appropriate deduction code from the **Deduction Code** list at [www.azdor.gov](http://www.azdor.gov).
- 47 Deduction Amount [Column E]**  
In this column list the specific amount of each deduction. The total itemized deduction amount in Schedule A – City must equal the total deduction amount in column G on the Transaction Detail – City page of the return. **Negative dollar deduction amounts are not allowed.**
- 48 Description of Deduction Code [Column F]**  
Enter a brief description of the deduction you are taking on this line (for example RESALE: Sales for resale).
- 49 Subtotals/Totals**  
**Line AA - Subtotal:**  
Total column E. Enter the result on this line.  
**Line BB – Totals from Additional City Page(s):**  
Add the totals from all additional City Schedule A page(s) and enter the result on this line.  
**Line CC - Totals:**  
Add lines AA and BB, enter the result on this line. This total must be equal to the total on Page 3, line PP, column G.  
*For any return that requires more than thirty five (35) lines, use a continuation sheet to report additional lines, and number the pages appropriately. Please be sure to select the correct additional deduction detail page.*