



Arizona Department of Revenue TPT Newsletter

Issue 1

Arizona Department of Revenue

January 2021

2021 TPT LICENSE RENEWALS

A transaction privilege tax license is used for collection and remittance of state, county and city taxes. Businesses licensed with ADOR were required to renew their TPT license by January 1, 2021. If you have not already done so, visit <https://azdor.gov/transaction-privilege-tax/tpt-license/renewing-tpt-license> for details.

THRESHOLD CHANGES

TPT Electronic Filing and Paying Thresholds

Effective January 1, 2021, TPT filers with an annual total tax liability of \$500.00 or more are required to file electronically. Visit azdor.gov/transaction-privilege-tax-tpt for more information.

Economic Nexus Thresholds

As of January 1, 2021, the economic nexus thresholds for remote sellers' gross sales dropped to \$100,000. Those not meeting the \$150,000 threshold for 2020 should review their direct sales (before any deductions). This threshold may be met at any time in 2021. Economic nexus is established if the thresholds were met in the previous calendar year. Visit <https://azdor.gov/transaction-privilege-tax/retail-sales-subject-tpt/out-state-sellers/economic-threshold>.

TAX CHANGES

On December 10, 2020, the Mayor and Council of the City of Sierra Vista approved Ordinance 2020-008 which reduces the rate of privilege tax on all classes of construction contracting from two and forty-five hundredths percent (2.45%) to one and ninety-five hundredths percent (1.95%). This change affects the following business classifications:

- Sec. 14-415. Construction contracting – Construction contractors
- Sec. 14-416. Construction contracting – Speculative builders
- Sec. 14-417. Construction contracting – Owner-builders who are not speculative builders

Effective March 1, 2021

Rates that will change on the Transaction Privilege and Other Tax Rate Tables are as follows:

Contracting Prime, **(015)** 1.95%, Speculative Builders, **(016)** 1.95%, Owner Builder, **(037)** 1.95%

UPCOMING EVENTS

Most in-person business tax workshops have been temporarily suspended. All ADOR workshops are free of charge.

Following are options available to taxpayers:

BUSINESS TAX BASICS WORKSHOPS STATEWIDE (VIA-WEBEX):

Tuesday, January 20, 2021
1:00 p.m. - 4:00 p.m.

Wednesday, February 3, 2021
1:00 p.m. - 4:00 p.m.

Wednesday, February 17, 2021
1:00 p.m. - 4:00 p.m.

AUTOMOBILE DEALER BUSINESS TAX WORKSHOP STATEWIDE (VIA - WEBEX)

Wednesday, January 27, 2021
9:00 a.m. - 12:00 p.m.

POWER OF ATTORNEY TAX WORKSHOP STATEWIDE (VIA-WEBEX):

Tuesday, January 19th, 2021
9:00 a.m. - 12:00 p.m.

AZTAXES WORKSHOP STATEWIDE (VIA-WEBEX):

Tuesday, January 26, 2021
9:00 a.m. - 12:00 p.m.

Tuesday, February 9, 2021
9:00 a.m. - 11:00 a.m.

WITHHOLDING TAX FOR BUSINESS OWNERS & PAYROLL SERVICE PROVIDERS WORKSHOP STATEWIDE (VIA-WEBEX):

Wednesday, February 10, 2021
9:00 a.m. - 11:00 a.m.

Visit azdor.gov/taxpayer-education for registration information.



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



www.azdor.gov



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2021 TPT DUE DATES CALENDAR

TPT Filing Frequency and Due Dates*- *Monthly, Quarterly, Annual*

The downloadable 2021 printable schedule is available at azdor.gov/transaction-privilege-tax/due-dates.

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

- **January 20** - TPT return due date
- **January 28** - Paper returns must be received by ADOR by 5 p.m. on this date
- **January 29** - Electronic returns must be received by ADOR by 5 p.m. on this date

LEGISLATIVE UPDATE

The Arizona Department of Revenue (ADOR) administers Arizona's tax system based on laws that have been passed and signed by the governor.

- Adult use marijuana dispensaries in Arizona would fall under the Adult Use Recreational Marijuana classification (still being established); therefore businesses with adult use marijuana sales are subject to transaction privilege tax and must be licensed.
- You can find information on starting a new business at <https://azdor.gov/business>.
- Watch for new posts on AZDOR.gov that explain how licensed marijuana establishments will register, file, and pay taxes under the new laws

DID YOU KNOW

Filing Facts

- 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](#).
- Verify and update your mailing address instantly and securely at AZTaxes.gov.
- Remember to file your TPT return for the prior month's activity.
- A \$0 TPT return must be filed 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.
- 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 the state of Arizona.

Feedback Opportunities

- ADOR accepts feedback on rulings, procedures in an ongoing effort to engage with and inform the public of state and local tax issues. For additional details visit azdor.gov/legal-research/public-comment-rulings-procedures-and-other-documents.
- Want to give feedback on TPT Tax Notices from the Arizona Department of Revenue? TPT taxpayers, click this link <https://forms.gle/WMktDYuabwJh664H8> to participate.

TPT Taxpayer - Common Errors

- Sending in copies or duplicate returns can cause rework and delay processing.
- Filling out the form incorrectly, for example, entering SSN or EIN instead of their TPT license number.
- Wrong or invalid business or region codes.
- Reporting is different than what is calculated and net taxable reported is greater than the total tax due.
- Using a pencil, colored ink or sending photocopies can cause data entry delays.

EDUCATION, TUTORIALS AND TRAINING

ADOR makes available online workshops and tutorials on setting up AZTaxes, new user registration, understanding location codes, filing an electronic TPT return and more. To register or access online workshops, tutorials and resources, visit azdor.gov/taxpayer-education.

