



Arizona Department of Revenue

TPT Newsletter

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[July 2022](#)

Transaction Privilege Tax Changes and News

SCAM AND RANSOMWARE WARNINGS

Many believe that scammers attack mainly large-sized companies when more than half of attacks are on small and medium-sized companies. Businesses of all sizes should be alert for phishing and ransomware scams, especially given any vulnerabilities that may be present when employees are working remotely.

Here are some reminders about ransomware.

- Everyone is at risk—any industry, any size of company, anywhere. When a pattern develops, the fraudsters switch tactics.
- Back up your data and systems to an off-site location.
- Secure your virtual workers with the latest security software and safe network connections, and train your staff to spot phishing.
- Create a crisis plan to be prepared for any scenario.
- Do not always give in to ransom as there is a chance of further damage and no guarantee that you will ultimately retrieve all data. It is best to prepare and prevent.

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 now 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.

TPT TAX TIPS

1. File/Pay online - Save time, file online at [AZTaxes.gov](#).
2. If sending a paper return, use the fillable forms to reduce ADOR keying errors that may occur when interpreting a 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.



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



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APPLY | FILE | PAY



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](https://aztaxes.gov). For card payments, AZTaxes will redirect to Point and Pay, which is an approved payment card service provider.

The Department has been made aware of third-party websites offering bill payment services to pay tax liabilities that result in funds not being delivered and/or rejected by ADOR. It may appear that the website is affiliated with ADOR, but 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.

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.

If you receive any suspicious phone calls or emails from someone claiming to represent ADOR or demanding a payment, please call the general customer service phone number at (602) 255-3381. If you are redirected to another website to make a payment besides Point and Pay, please document the website address and screenshots and email them to AZTaxHelp@azdor.gov.

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/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/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](#).

IRS INTEREST RATE CHANGE

The Internal Revenue Service (IRS) announced that interest rates will increase for the calendar quarter beginning July 1, 2022. The rates will be 5% for overpayments (4% in the case of a corporation), 2.5% for the portion of a corporate overpayment exceeding \$10,000, 5% for underpayments, and 7% for large corporate underpayments.

ADOR applies interest, compounded annually, in the same manner and at the same time as prescribed by the U.S. Internal Revenue Code (IRC), Section 6621. See the [ADOR interest rate page](#) for details.





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TAX CHANGES

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

On May 25, 2022, the Mayor and Council of Tucson passed Ordinance 11904, certifying the city electorate's May 17, 2022 approval to extend the additional five-tenths of one percent (0.5%) increase of transaction privilege tax and use rates.

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 April 19, 2022, the Town of Wellton passed and adopted Ordinance 144, which amends Ordinance 143 addressing the omission of the Food for Home Consumption business code. The ordinance 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)**; Food for Home Consumption **(062)**; Hotels **(044)**; Hotel/Motel (Additional Tax) **(144)**; Job Printing **(010)**; Manufactured Buildings **(027)**; MRRA 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 Globe - Effective date of August 1, 2022.

On May 24, 2022, the City of Globe passed and adopted Ordinance No. 880, which increases the transaction privilege tax rate from two and three-tenths percent (2.30%) to three and three-tenths percent (3.30%).

The (3.30%) affects the following business classifications:

Advertising **(018)**; Amusements **(012)**; Communications **(005)**; Contracting - Prime **(015)**; Construction Contracting - Speculative Builders **(016)**; Construction Contracting - Owner Builders **(037)**; Hotels **(044)**; Job Printing **(010)**; Manufactured Buildings **(027)**; MRRA 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)**; Use Tax Purchases **(029)**; Use Tax from Inventory **(030)**.

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)**; Use Tax Purchases **(029)**; Use Tax from Inventory **(030)**.





Remote 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)**; MRRA 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 **June** TPT filing deadlines:

- **July 20** - TPT return due date
- **July 28** - Paper returns must be received by ADOR by 5:00 p.m. on this date
- **July 29** - 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 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, July 20, 2022

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

Wednesday, August 3, 2022

9:00 a.m. - noon

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

Tuesday, July 19, 2022

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 & Power of Attorney

Monday, August 8, 2022



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



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1:00 p.m. -2:30 p.m.

Workshop 2: Engaging, Disengaging & More
Tuesday, August 9, 2022
1:00 p.m. -2:30 p.m.

Workshop 3: File, Pay, Amend & More
Wednesday, August 10, 2022
1:00 p.m. -2:30 p.m.

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

