



Arizona Department of Revenue

TPT Newsletter

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[December 2023](#)

Transaction Privilege Tax Changes and News

EXEMPTION LETTER APPLICATION PROCESS CHANGES FOR QUALIFIED HEALTHCARE ORGANIZATIONS

Due to a recent amendment to A.R.S. § 42-5009(S), Qualified Healthcare Organizations which were previously required to obtain an annual transaction privilege tax (TPT) exemption certificate from the Department are no longer required to do so after they obtain an exemption letter with an exemption period that starts from January 1, 2024. Those letters will remain valid until the organization no longer qualifies.

Note: If the Qualified Healthcare Organization no longer qualifies for the exemption letter, it is their responsibility to:

- Notify the Department and any vendors they have supplied it to that they no longer qualify for the exemption
- Discontinue using the exemption letter.

Regardless of the Qualified Healthcare Organization's notification to the Department and its own vendors, if they no longer qualify for the exemption letter – yet continue to utilize it – then they are liable for any tax, penalty, and interest from the date they no longer qualify, that the seller would have been required to pay if the seller had not been given the exemption letter by the healthcare organization.

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.

TPT RENEWAL COUNTDOWN

The Arizona Department of Revenue (ADOR) requires businesses to renew their Arizona Transaction Privilege Tax (TPT) license before January 1. If a taxpayer sells a product or engages in a business activity subject to TPT, the business must renew their TPT License annually.

Renewal Due Date

Renewals are due January 1, 2024. Penalties will apply to renewals received after January 31, 2024.

Unrenewed license will not be canceled. To cancel your existing TPT license, use the Account Update option on [AZTaxes.gov](#) or submit a [Business Account Update](#) form with a cancel effective date.

Failure to renew, or renewals received after January 31, will be deemed late and will incur penalties, and/or late fees.



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APPLY | FILE | PAY



Remote sellers and marketplace facilitators without a physical presence in Arizona must [renew their TPT licenses](#) if they have more than \$100,000 in gross sales to Arizona customers in the current calendar year. If a remote seller or marketplace facilitator has not reached the applicable [threshold](#) in the current calendar year, they may cancel their license. If the threshold was met in the current calendar year but will not be met in the new calendar year, the business may consider [canceling their TPT license](#) for 2024. Unrenewed licenses will not be canceled.

Marijuana excise tax (MET) registrations are not required to be renewed, but *marijuana TPT licenses* must be renewed each year.

Renewal Fees

The renewal fee is due at the time of renewal and can be paid via [AZTaxes.gov](#) with e-check or ACH Debit if that option is already set up on the account. All fees are payable to ADOR including the license number and “2024 Renewals” on the payment.

Renew Online

State law requires taxpayers with multiple business locations to renew their TPT license [electronically](#).

[AZTaxes.gov](#) can also be used to update business account information once the account is registered. Please allow up to four hours for the update to be completed and applied to the account. The account information must be up-to-date before the license is renewed.

How to renew your license on AZTaxes.gov.

- Go to [www.AZTaxes.gov](#).
- Log in using your username and password.
- Click “License Renewal” in the ‘Action’ section of your Business List or select “License Renewal” on the left-hand navigation bar.
(You will need the pertinent information for renewal, any changes, payment information, and your e-signature PIN.)

In an effort to assist taxpayers through the process and reduce errors, ADOR offers the following guidelines:

- Businesses with more than one location must renew their licenses online.
- Licenses renewed within the current year must still be renewed.
- If you do not see the renewal option on AZTaxes, you may have not linked your user account to your TPT license or the primary user has not given you access to renew the license. See [AZTaxes User Access](#) for more information.
- Pay renewal fees online under “Pay,” then “Pay Outstanding Liabilities.” Renewal fees cannot be paid by credit card.
- If the business’ estimated annual combined TPT liability is less than \$2,000, consider adjusting the filing frequency to annually. If the annual filing change is made in 2022, the change will occur for the 2023 filing period. If there are delinquencies on your business account, the filing frequency cannot be changed.

For further assistance on completing a license renewal through AZTaxes.gov, view our video tutorial https://youtu.be/as3OwSBU_8w.

For more common questions, see the FAQ portion of the [Renewing a TPT License](#) page.

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



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- **December 28** - Paper returns must be received by ADOR by 5:00 p.m. on this date
- **December 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 (December 26) to ensure your payment is accepted and processed into ADOR systems.**

PROPERTY MANAGEMENT COMPANIES

The [For Property Management Companies \(PMC\)](#) web page enhances customer experience and guidance. The page includes helpful tips and new resources.

The [How to File and Pay TPT Returns for PMCs](#) tutorial displays each step of the process to properly file and pay for the engaged property owners.

The [Annual PMC Renewal Checklist](#) instructs PMCs how to complete all the necessary steps to renew for engaged property owners before January 1 each year.

Renewal

Renewals are due January 1 and are considered late by January 31. Please see the Annual Renewal Checklist for assistance.

To figure out renewal fees, please refer to [Renewal License Fees Worksheet](#) on AZDOR.gov. Renewal fees are by jurisdiction, not by number of locations. **Please note: The residential rental renewal fee for Chandler, Phoenix, and Scottsdale is \$2 per unit, up to a maximum of \$50 per license.*

Examples:

If a taxpayer had three retail businesses in Scottsdale, they would only be charged \$50.

If a taxpayer had three retail businesses in Chandler, they would only be charged \$2.

If a property owner had three properties in Scottsdale, renewal fee is \$6 (\$2 x 3). With 100 properties in Scottsdale, the renewal fee is \$50 because there is a maximum charge of \$50 per license.

If your property owner had three properties in Chandler, renewal fee is \$6 (\$2 x 3). With 100 properties in Chandler, the renewal fee is \$50 because there is a maximum charge of \$50 per license.

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 (MRRRA) and Modification.

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

TAX CHANGES

Cochise County - Effective date of January 1, 2024.

On May 16, 2023, the Cochise County voters voted to begin a County Jail Tax effective on January 1, 2024. The total combined rate for most transactions will be 6.6%.

The (6.6%) affects the following business classifications:



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Adult Use Marijuana (**420**); Adult Use Marijuana Restaurant (**421**); Amusement (**012**); Communications (**005**); Contracting - Prime (**015**); Job Printing (**010**); Marketplace Facilitated or Remote Retail Sales (**605**); Medical Marijuana (**203**); Medical Marijuana Restaurant (**221**); MRRRA Amount (**315**); Peer to Peer Sharing (**414**); Pipelines (**008**); Private Railcar (**007**); Publication (**009**); Rentals of Personal Property (014); Restaurant and Bars (**011**); Retail Sales (**017**); Transporting (**006**); Use Tax Utilities (**026**); Utilities (**004**).

The (6.55%) affects the following business classifications:
Online Lodging Marketplace (**325**); Use Tax Utilities (**025**).

The (3.75%) affects the following business classifications:
Non metal Mining (**002**).

The (3.66¢) affects the following business classifications:
Jet Fuel Excise Tax (**049**).

For Prime Contractors: Any increase in the rate of tax does not apply to contracts entered into or pursuant to written bids made by Prime Contractors on or before May 16, 2023. To qualify for the reduced rate, the prime contractor must maintain documentation to verify the date of the contract or written bid. Gross income received from Pre-existing Prime Contracts will be reported under Class 118.

City of Phoenix - Effective date of January 1, 2024.

New 2024 threshold amounts for the retail sales and use tax two-level tax rate structure, as approved by Phoenix voters with Proposition 104 in the August 25, 2015 city election, will go into effect January 1, 2024. The inflation adjustment to the threshold amount will affect sales transacted beginning with January 1, 2024 and through December 31, 2025 tax periods.

The current threshold amount of \$11,631 will be adjusted by an incremental amount of \$2,255 to \$13,886 for the next two years beginning January 1, 2024. Any retail sales and/or use tax business activity must be reported in accordance with the new threshold amounts under the two-level tax rate structure utilizing the proper corresponding business code.

The (2.0%) affects the following business classifications:

Retail Sales - Single Portion over \$13,886 (**164**); Use Tax - Single Portion over \$13,886 (**168**); Remote Seller - Marketplace Facilitator (Out-of-State with no Arizona physical presence) - Retail Sales - Single Portion over \$13,886 (**628**); Marketplace Facilitators with Arizona physical presence - Retail Sales - Single Portion over \$13,886 (**164**); Marketplace Facilitators with Arizona physical presence - Third Party Sales - Single Portion over \$13,886 (**628**); Medical Marijuana Retail Sales - Single Portion over \$13,886 (**685**); Adult Use Marijuana Retail Sales - Single Portion over \$13,886 (**684**); Marijuana Retail Sales (Accessories/Ancillary Products) - Single Portion over \$13,886 (**164**); Marijuana Use Tax Purchases - Single Portion over \$13,886 (**168**).

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.





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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

ADOR Marijuana Taxation - (Via WebEx)

Tuesday, December 19, 2023

9:00 a.m. - noon

ADOR Business Tax - (Via WebEx)

Wednesday, December 20, 2023

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

Wednesday, January 3, 2024

9:00 a.m. - noon

Wednesday, January 17, 2024

1:00 p.m. - 4:00 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 8, 2024

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

Workshop 2: Engaging, Disengaging, and More

Tuesday, January 9, 2024

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

Workshop 3: File, Pay, Amend, and More

Wednesday, January 10, 2024

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

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

