



Transaction Privilege Tax Changes and News

This publication is an informational notice included with the June 2014 Transaction Privilege Tax Return.

TRANSACTION PRIVILEGE TAX CHANGES ARE COMING!

Effective January 1, 2015: The Arizona Department of Revenue (DOR) will become the single point of administration and collection of State, county and municipal transaction privilege tax (TPT). Taxpayers will be able to file and pay on one form for all jurisdictions. There will also be an upgraded website (AZTaxes.gov) to file and pay your TPT return. Businesses will be subject to one audit for all jurisdictions. Check www.azdor.gov for all updates.

Why do we need TPT simplification?

- Currently, the State of Arizona administers TPT for seventy-three cities, while eighteen Arizona cities separately administer their own taxes. That means business owners may need to file and pay the state then file another return and pay to a city the department does not collect for. Starting in 2015, there will be one location to file and pay your return.

Who are the eighteen cities?

- Currently, the following cities administer their own taxes: Apache Junction, Avondale, Bullhead City, Chandler, Douglas, Flagstaff, Glendale, Mesa, Nogales, Peoria, Phoenix, Prescott, Scottsdale, Sedona, Somerton, Tempe, Tucson, and Willcox.

Who is impacted?

- Business owners that file and pay TPT with DOR and any city in Arizona.

When does this start?

- The effective date of this change is January 1, 2015. This means businesses who file their January 2015 TPT-1 in February 2015 will be reporting and paying TPT for all jurisdictions to the Department of Revenue only.

What changes will business owners expect starting after January 1, 2015?

- Taxpayers who file for more than one business location must e-file their tax return
- All taxpayers will receive an annual renewal notice this fall from DOR. If you conduct business in a city that has a renewal fee, you will renew and pay DOR the license renewal fee(s).
- TPT licenses will be valid for one calendar year. This means you will need to renew your license annually with DOR.
- If you do not renew your city TPT license timely, you may be penalized up to \$25.
- If your business has multiple locations or operates under multiple names and files a consolidated tax return, you will be required to pay only one municipal TPT renewal fee for each jurisdiction.
- If your business operates in multiple locations or operates under multiple names and does not file a consolidated tax return, you will be required to pay a license renewal for each location in each jurisdiction.
- There will no longer be the e-signature document required when registering on AZTaxes.gov. This means you will no longer need to mail in a signature card when you register at AZTaxes.gov.
- Businesses will be subject to one audit for all jurisdictions.
- All taxpayers who elect not to file electronically, TPT returns must be received by the Department on or before the second to last business day of the month.
- Taxpayers with small liabilities may be able to file less often. You will receive a notice from the Department regarding the details. Please wait for the notice before adjusting your filing frequency.

We will provide additional information over the coming months. Topics to look for:

- New Form TPT-1
- New Streamlined Joint Tax Application
- Improved AZTaxes.gov for electronic filing

Check www.azdor.gov for all updates!