

AZTaxes Newsletter April 2011

TPT DUE DATE for March 2011 and 1st Quarter 2011 is April 20, 2011

TPT Electronic File and Pay; to be considered timely received by last business day of the month you must both file and pay your TPT electronically:

- Electronically File and Electronically Pay; you must submit both your TPT1 and your payment no later than 5:00 p.m. (Mountain Standard Time) April 28, 2011.

TPT Sent by Mail; to be considered timely received when mailed:

- Your TPT1 and your payment must be postmarked no later than April 25, 2011.

WITHHOLDING DUE DATE for 1st Quarter 2011 is May 2, 2011

- For A1-QRT quarter ending March 31, 2011 (1st Quarter 2011) an automatic ten day extension is available if all payments during the preceding calendar quarter were timely. If every payment was timely in preceding calendar quarter, A1-QRT for 1st Quarter 2011 is due May 10, 2011.

IMPORTANT NOTICE

NEW PENALTY FOR FAILURE TO REMIT PAYMENT ELECTRONICALLY

Effective March 1, 2011: Taxpayers required to make payments by Electronic Funds Transfer (EFT) will be subject to a penalty of 5% if they make a payment by another method.

When is the effective date of the new penalty? Effective for reporting periods starting March 1, 2011.

How much is the penalty? Five percent of the amount of the payment not made by EFT.

Who is required to make payment by EFT?

- A withholding taxpayer whose average Arizona quarterly withholding liability during the prior tax year was twenty thousand dollars or more.
- A corporate taxpayer whose corporate income tax liability was twenty thousand dollars or more during the prior tax year.
- A TPT/Use taxpayer whose annual tax liability was one million dollars or more during the prior calendar year.

What tax types are affected by this change? Transaction Privilege and Use tax, Withholding tax and Corporate income tax.

Who can I contact if I have questions?

Call Taxpayer Information and Assistance at 602-255-2060 or you can call toll-free within Arizona at 1-800-843-7196. Office hours are Monday through Friday from 8:00am to 5:00pm. Information is also available on our website at www.azdor.gov.

Limited Services Available at our East Valley Location

- Gilbert office is limited to providing service to licensing and making payments. Tax forms are available in limited quantities.
- Only Phoenix and Tucson locations offer walk-in services to assist taxpayers with billing disputes, notifications and taxability issues.

Help Reduce Processing Costs, Avoid Delays and Penalty

- For proper application of your payment, verify your amount, tax identification number and tax period have been entered and are accurate.
- On your tax return verify your name, tax identification number, amounts and check your math.

EFT Payments

- Registered businesses can register for ACH Debit to make EFT payments.
- After you log in and select your business account, select “Business Registration” then “ACH Debit” and follow the easy directions.

Multiple Payment Options Are Available on AZTaxes.gov

- ACH Debit, E-Check, credit card and Visa or MasterCard branded debit cards.

A Note to all Arizona Taxpayers

- Use www.AZTaxes.gov to check the status of your income tax refund.
- Use “Make a Payment” option to pay your income tax.

Payment Arrangements

- Contact the Collections section in Phoenix at (602) 542-5551 or Tucson at (520) 628-6442. Any Revenue Officer will be able to assist you.
- Information is also available at www.azdor.gov/Collections/PaymentArrangement

\$40 Renewal Fee Reminder Notice

A reminder notice has been mailed to those taxpayers who have yet to pay the required renewal fee. The renewal fee is \$40 and payment can be made at any one of our three office locations, or you can mail your fee to: Attn. License Renewal Fee, License and Registration, PO Box 29010, Phoenix, AZ 85038-9010.

City Tax Rate Changes

WILLCOX - Effective March 1, 2011: On December 20, 2010, the Mayor and the Council of the City of Willcox approved a contract for third party sales tax collection services with PRA Government Services, LLC dba Revenue Discovery Systems (RDS). Notification was provided to the Arizona Department of Revenue on December 21, 2010 and, as a result, the City of Willcox will become a Non-Program City effective March 1, 2011.

Beginning March 1, 2011, the City of Willcox, in conjunction with a third-party vendor, will administer and collect its own transaction privilege tax for reporting periods beginning with March, 2011. However, the Department will continue to collect those taxes due to the City and any remaining unpaid liabilities for months prior to March, 2011.

Per the City's request, please contact the RDS at 866-940-7660 if you have questions or need further information. Additional information can also be found at www.revds.com.

SAFFORD - Effective May 1, 2011: On February 14, 2011, the Mayor and the Council of the City of Safford passed Ordinance 11-001 amending the Safford's City Code by decreasing the tax rate for Contracting from **four percent (4%)** to **two and one-half percent (2.5%)**.

Ordinance 11-001 tax rate change effects the following classifications: Construction Contracting: construction contractors, Construction Contracting: speculative builders and Construction Contracting: owner builders who are not speculative builders. The ordinance will decrease the tax rate for Contracting (**SF 015**) effective May 1, 2011.

GLOBE - Effective June 1, 2011: On March 14, 2011, the Mayor and the Council of the City of Globe passed Ordinance 787 amending the Globe City Code to adopt a two-tier retail tax. Sales of a single item of tangible personal property of \$15,000 or less shall be taxed at the current the rate of **two percent (2%)**. Sales of a single item of tangible personal property exceeding \$15,000.00 will have a tax rate of **zero percent (0%)**.

This tax rate change effects the following classifications:
Retail Sales. The ordinance will keep the reporting of retail sales for tangible personal property of \$15,000 or less at (**GL 000**) and create the tax business class of (**GL 004**) for all retail sales of single-item tangible personal property exceeding \$15,000.