

AZTaxes Newsletter May 2011

FINAL EMAIL NOTICE

Say hello to the AZTaxes Newsletter and goodbye to the monthly email! You can now access this information on www.aztaxes.gov or www.azdor.gov.

- On aztaxes.gov, click on the **Newsletter** link under the Resources section. When you log in, you will see the **Newsletter** link added to the left side menu.
- On azdor.gov, click on the **AZTaxes Newsletter** link under the Business menu.

DUE DATE FOR your April TPT is May 20th, 2011

- **For 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) May 30, 2011.

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

- Your TPT1 and your payment must be postmarked no later than May 25, 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 Penalties

- 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.
- This newsletter can now be found on AZTaxes (<https://www.aztaxes.gov/default.aspx>) and AZDOR (<http://www.azdor.gov/Business/AZTaxesNewsletter.aspx>) websites.

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

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.

Kearny - Effective June 6, 2011: Kearny Adopts Section 480 of the Model City Tax Code with Option 13 of the Model City Tax Code to the Tax Code of the Town of Kearny, thus disallowing a tax credit against utility tax for franchise fees paid to the city.

Thatcher - Effective July 1, 2011: On April 12, 2011, the Mayor and Council of the Town of Thatcher passed Ordinance Number 163-2011 amending the Tax Code of the Town of Thatcher by increasing the general rate of taxation from **two percent (2%) to two and one-half percent (2.5%)**. The tax rate increase effects the following classifications: Advertising, Amusements, exhibitions, and similar activities, Job printing, Manufactured buildings, Timbering and other extraction, Publishing and periodicals distribution, Hotels, Rental, leasing and licensing for use of tangible

personal property, Restaurants and Bars, Retail sales, Telecommunication services, Transporting for hire, Utility services and Use Tax. The ordinance change affects the Transaction Privilege Tax Classification **(TC 000)**, and Use Tax **(TC 002)**. The increase imposed by this ordinance does not apply to Rental, leasing, and licensing for use of real property which is taxed at the rate of **two percent (2%)** and is reported under **(TC 013)**.

The increase imposed by this ordinance shall not apply to contracts entered into prior to the effective date of this Ordinance. Pre-existing contracts should be reported under the Contracts (Prior to July 1, 2011) Classification **(TC 008)**.

Guadalupe - Effective July 1, 2011: On April 28, 2011, the Mayor and Council of the Town of Guadalupe passed Ordinance Number 2011-03 amending the Tax Code of the Town of Guadalupe by increasing the general rate of taxation from **three percent (3%)** to **four percent (4%)**. Ordinance 2011-03 tax rate increase effects the following classifications: Advertising, Construction contracting: Construction Contracts, Construction Contracting: Speculative Builders, Construction Contracting: Owner builders who are not speculative builders, Manufactured buildings, Timbering and other extraction, Publishing and periodicals distribution, Hotels, , Rental, leasing and licensing for use of tangible personal property, Retail sales, Transporting for hire, and Utility services.

The ordinance change affects the Transaction Privilege Tax Classification **(GU 000)**, The increase imposed by this ordinance does not apply to Rental, leasing, and licensing for use of real property which is taxed at the rate of **three percent (3%)** and is reported under **(GU 013)**.

This increase imposed by this ordinance shall not apply to contracts entered into prior to the effective date of this Ordinance. Pre-existing contracts should be reported under the Contracts (Prior to July 1, 2011) Classification **(GU 008)**.

Kearny - Effective July 1, 2011: On March 21, 2011, the Mayor and the Council of the Town of Kearny passed Ordinance 11-186 relating to Transaction Privilege Tax. The new ordinance amends previous ordinance 09-178 and extends the tax beyond the automatic repeal date of June 30, 2011. Ordinance 11-186 extends the tax rates at **three percent (3%)** for the following classifications: Advertising, Amusements, exhibitions, and similar activities, Job Printing, Manufactured Buildings, Timbering and other extraction, Publishing and periodicals distribution, Hotels, Rental, leasing, and licensing for use of tangible personal property, Restaurants and bars, Retail sales; measure of tax; burden of proof; exclusions, Telecommunications services, Transporting for hire, and Utility services. The Ordinance also extends the tax rates at **four percent (4%)** for the following classifications: Construction contracting: construction contractors, Construction contracting: speculative builders, Construction contracting: owner builders who are not speculative builders. The ordinance change affects the Transaction Privilege Tax Classification **(KN 000)**, Hotel/Motel (Additional Tax Classification **(KN 003)**, and Construction Contracting **(KN 008)**.

The increase imposed by this ordinance does not apply to Rental, leasing, and licensing for use of real property which is taxed at the rate of **two and one half percent (2.5%)** and is reported under **(KN 013)**.