

AZTaxes Newsletter August 2012

DUE DATE for your July TPT is August 20, 2012.

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) August 30, 2012.**

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

- **Your TPT1 and your payment must be postmarked no later than August 27, 2012.**

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.

Limited Services Available at our East Valley Location

- Our East Valley office in Gilbert does not offer taxpayer assistance for billing or other issues. Only the Tucson and Phoenix locations offer taxpayer assistance.
- Licensing, payment services and forms are still available at our Gilbert office location.

Help Us Help You by Avoiding Costly Errors

- When submitting any tax return or payment, please verify you have entered all the required account identification information and verify that the figures and information you entered are accurate.
- Complete and accurate tax returns speed processing times, reduce processing costs and avoid the need to contact you.

Arizona Transaction Privilege Tax (TPT) License Update

Changes to TPT licenses are subject to a \$12 fee per location for the state fee and any applicable city fees. There are no fees for changes to Corporate account, Use Tax or Withholding registrations. Changes to following items can be requested by using the **Business Account Update** form available at www.azdor.gov:

- Business name
- Mailing address
- Business location
- Additional business or rental location(s) filing consolidated reports
- Corporate officer

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.

Payment Arrangements

- To make payments over a period of time, contact the Office 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

For Retailers of Cigarettes or Roll Your Own Tobacco:

Effective August 18, 2003, Laws 2003, ch. 239 (SB1310) established A.R.S. §44-7111, which prohibits the sale of all cigarettes (including roll-your-own tobacco) in Arizona not listed in the Cigarette Directory maintained by the Arizona Attorney General’s Office. It is unlawful for any person to affix a stamp to a cigarette package, or sell or possess for sale, cigarettes of a manufacturer or brand family not included in the directory. The Cigarette Directory is found on the Arizona Attorney General’s website (<http://www.azag.gov/consumer/Tobacco/Directory.html>).

IMPORTANT NOTICE

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.

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?

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

Who is affected by this change? Taxpayers required to remit payment via EFT, for Transaction Privilege and Use Tax, Withholding tax, or Corporate tax.

Who is assessed the penalty? The penalty is assessed on the taxpayer. It is the taxpayer's responsibility to ensure payment is remitted via EFT as required, regardless of whether or not a third party is used for remitting payment.

City Tax Rate Changes Effective August 2012

Camp Verde - Effective August 1, 2012

On May 16, 2012, the Mayor and Council of the Town Camp Verde passed Ordinance Number 2012-A382. Ordinance 2012-A382 relating to the privilege license tax; amended the town tax code by increasing the general rate of taxation to **three percent (3%)**. Providing penalties for the violation thereof; providing for severability, and designating an effective date of August 1, 2012 and making a provision for existing contracts. Ordinance 2012-A382 tax rate increase affects 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, and Utility services.

The ordinance change affects the following Transaction Privilege Tax Classifications; Privilege Tax **(CE 000)** and Hotel/Motel **(CE 004)**.

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 **(CE 013)**. It also does not apply to Construction Contracting which is taxed at the rate of **three percent (3%)** reported under **(CE 005)** or Use tax which is taxed at the rate of **two percent (2%)** and is reported under **(CE 002)**

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 Privilege Contracts (Prior to August 1, 2012) Classification **(CE 007)** and is taxed at the rate of **two percent (2%)**.

City Tax Rate Changes Effective September 2012

Wickenburg - Effective September 1, 2012

On May 21, 2012, the Mayor and Council of the Town Wickenburg passed Ordinance Number 1107. Ordinance 1107 relating to the privilege license tax; amended the town tax code by changing Section 9A-460 Retail Sales. Providing penalties for the violation thereof; providing for severability, and designating an effective date of September 1, 2012 and making a provision for existing contracts. Ordinance 1107 amends Section 9A-460 to:

Impose a **one and sixty nine hundredths percent (1.69%)** rate on sales or purchases of tangible personal property sold at retail exceeding \$5,000 per item. This change affects business classification **(WB 004)**.

The increase imposed by this ordinance shall not apply to contracts entered into prior to the effective date of September 1, 2012. Pre-existing contracts should be reported under the Retail Contracts Single Item over \$10,000 (Prior to September 1, 2012) Classification **(WB 007)** and is taxed at the rate of **one and nineteen hundredths percent (1.19%)**.