

**AZTaxes Newsletter****February 2015 Return and Payment**

**Transaction Privilege and Use Tax (TPT) is always due on the 20<sup>th</sup> of the month.**

**For TPT Electronic File and Pay**

- **February 2015 TPT-1 and Payment;** to be considered timely received by the last business day of the month, you must submit electronically **both** your TPT-1 and your payment, no later than 5:00pm (Mountain Standard Time) Monday, March 30, 2015.

**For TPT Sent by Mail or Hand-Delivered**

- **February 2015 TPT-1 for all taxpayers who elect not to file electronically;** TPT-1 return must be received no later than Monday, March 30, 2015. If the TPT-1 is received after this date it will be considered late.

*NOTE: If the return is received after the second to the last business day, the return is not timely regardless of the postmark date. This includes returns filed by mail or hand-delivered to the Arizona Department of Revenue.*

**TAX INFORMATION AND ALERTS****TPT-1 for Period Ending February 28, 2015**

If you received a pre-printed TPT-1 for February 2015, it may have incorrect business codes pre-printed on the form. We are working towards correcting this issue. We appreciate your patience and understanding.

To assist you in completing your TPT-1 and to verify the codes are accurate, please refer to the published rate table as well as the business code/rate and deduction code reference pages available on: <http://www.azdor.gov/Business/TransactionPrivilegeTax/TPTRates.aspx>.

**New Program City Business Codes**

Beginning January 1, 2015, new program city business codes were implemented. A business code/rate reference page for each program city can be found on <http://www.azdor.gov/Business/TransactionPrivilegeTax/TPTRates.aspx>. Each city's reference page will assist you in linking the old business codes to the new business codes.

**Deduction Codes**

Every deduction taken on your TPT-1 must have a deduction code. Deductions reported with no deduction code will be disallowed and penalties and interest may apply. Three reference pages with TPT-deduction codes and can be found on <http://www.azdor.gov/TPTSimplification/DeductionCodes.aspx> as well as the State Statutory

Authority document. The reference pages will provide lists of deduction codes available for the State and/or each program city. State Statutory Authority provides the legal description for each deduction code.

**NOTE: Previous deduction codes 888 and 999 are no longer available.**

As a result of recent statutory changes and a further review of statutory provisions, the following new deduction codes have been added to the Department's listings. For the **business codes** under which these new deduction codes may be taken, see the listings at:

[www.azdor.gov/TPTSimplification/DeductionCodes.aspx](http://www.azdor.gov/TPTSimplification/DeductionCodes.aspx).

584 TPP sold to Form 5009L Subcontractor for Incorporation into PRIME CONTRACTING Project  
712 PROPERTY Sold to Contractor for MRRRA Project on an INDIAN RESERVATION  
715 TRANSPO by MOTOR CARRIERS or LIGHT MOTOR VEHICLES – FEES PAID TO MVD  
725 TPP Sales BY Nonprofit Charitable IRC 501(c)(3) Organization  
744 VETERANS ORG: Sales of FOOD and DRINK on PREMISES

[Deduction Codes 548, 570 and 584: The business code applicability for these codes has been changed.]

### Electronic Filers

When preparing your TPT-1 you will find that each business code will have applicable deduction codes. If you are unable to locate the deduction code for your business code, it may be because the deduction code is not allowed, issues occurring within AZTaxes.gov, or the deduction code may not yet be available.

### Residential Rental Property Managers

**Effective for 2015:** Property Managers can continue to file tax returns in the same manner they did for each city and ADOR in 2014. Property Managers that hold the license with a city which did not license individual owners in 2014 do not need to have all of their owners complete license applications and pay license fees by January 30, 2015 as previously requested, because these are not considered license renewals.

By June 30, 2015, all individual owners must have complete license applications on file with the Non-Program Cities, or with ADOR for properties located in Program Cities. Any owner formerly reporting under a Property Manager's license that has already become licensed doesn't need to do anything. The cities and ADOR will continue to accept Property Manager tax returns through 2015 if they were allowed to do so in 2014. For more information, please refer to the TPT Simplification webpage at [www.azdor.gov](http://www.azdor.gov).

### Prime Contracting

Transaction Privilege Tax Notice (TPN) containing frequently asked questions for Contracting is currently under revision due to the passage of Senate Bill 1446. The revised TPN will be available sometime in April 2015 and it will be posted on [www.azdor.gov](http://www.azdor.gov).

Contracting Classes; for more information about classes being offered and to register, go to <http://www.azdor.gov/News/tabid/74/newsid530/554/Contracting-Classes/Default.aspx>

## Model City Tax Code

Go online at <http://modelcitytaxcode.az.gov/> to find information about City Tax Code, recent and proposed changes to the Model City Tax Code and City Tax Rates.

### CITY OF BISBEE

#### Effective March 1, 2015

On December 16, 2014, the City passed **Ordinance O-14-08** covering all provisions listed in the City Tax Code; however, because their Code is out-of-date with Article IV of the AZ Model City Tax Code (incorporated by reference), one provision was missed.

On January 20, 2015, the Mayor and City Council of the City of Bisbee passed Ordinance No. O-15-01. Ordinance No. O-15-01 amended the tax code of the City of Bisbee by increasing the rate of taxation by **one percent (1%)** from the existing rate of **two and five-tenths percent (2.5%)** to a total of **three and five-tenths percent (3.5%)** for a period **not to exceed eight (8) years**. This change affects the following business classification:

Sec. 8A-462 Retail sales: food for home consumption (business code 062).

On December 16, 2014, the Mayor and City Council of the City of Bisbee passed **Ordinance No. O-14-08** and **Ordinance No. O-14-09**. **Ordinance No. O-14-08** amended the tax code of the City of Bisbee by increasing the rate of taxation by **one percent (1%)** from the existing rate of **two and five-tenths percent (2.5%)** to a total of **three and five-tenths percent (3.5%)** for a period **not to exceed eight (8) years**. This change affects the following business classifications:

Sec. 8A-405 Advertising (business code 018); 8A-410 Amusements, Exhibitions, and Similar Activities (business code 012); 8A-415 Construction Contracting (business code 015); 8A-416 Construction Contracting Speculative Builders (business code 016); 8A-417 Construction Contracting Owner-Builders (business code 037); 8A-420 Feed at Wholesale (business code 116); 8A-425 Job Printing (business code 010); 8A-427 Manufactured Buildings (business code 027); 8A-430 Timbering and Other Extraction (business code 020); 8A-435 Publishing and Periodicals Distribution (business code 009); 8A-444 Hotels (business code 044); 8A-445 Rental, Leasing, and Licensing for Use of Real Property (business code 045); 8A-450 Rental, Leasing, and Licensing for Use of Tangible Property (business code 214); 8A-455 Restaurants and Bars (business code 011); Sec. 8A-460 Retail sales (business code 017); 8A-470 Telecommunications services (business code 005); 8A-475 Transporting for hire (business code 006); and 8A-480 Utility services (business code 004).

**Ordinance No. O-14-08** Amends the Tax Code for the City of Bisbee by repealing Sec. 8A-440 Rental Occupancy tax in its entirety.

**Ordinance No. O-14-09** amended the tax code of the City of Bisbee by increasing the rate of taxation by **one percent (1%)** from the existing rate of **two and five-tenths percent (2.5%)** to a total of **three and five-tenths percent (3.5%)** for a period **not to exceed four (4) years**. This change affects the following business classification:

Sec. 8A-447 Rental, leasing, and licensing for use of real property: additional tax upon transient lodging (business code 144).

**TOWN OF CAMP VERDE****Effective March 1, 2015**

On January 7, 2015, the Mayor and City Council of the Town of Camp Verde passed Ordinance No. 2015-A403. Ordinance No. 2015-A403 amended the tax code of the Town of Camp Verde by increasing the rate of taxation from the existing rate of **three percent (3%)** to a total of **three point six five percent (3.65%)**. This change affects the following business classifications:

Sec. 8-405 Advertising (business code 018); 8-410 Amusements, Exhibitions, and Similar Activities (business code 012); 8-415 Construction Contracting: Construction Contractors (business code 015); 8-416 Construction Contracting: Speculative Builders (business code 016); 8-417 Construction Contracting: Owner-Builders (business code 037); 8-425 Job Printing (business code 010); 8-427 Manufactured Buildings (business code 027); 8-430 Timbering and Other Extraction (business code 020); 8-435 Publishing and Periodicals Distribution (business code 009); 8-444 Hotels (business code 044); 8-450 Rental, Leasing, and Licensing for Use of Tangible Property (business code 214); 8-455 Restaurants and Bars (business code 011); Sec. 8-460 Retail sales (business code 017); 8-470 Telecommunications services (business code 005); 8-475 Transporting for hire (business code 006); and 8-480 Utility Services (business code 004).

The tax rate in the following section of the Tax Code of the Town of Camp Verde will be increasing from **two percent (2%)** to **three point six five percent (3.65%)**:

Sec. 8-610 Use Tax: imposition of tax; presumption (business code 029)

The tax rate in the following section of the Tax Code of the Town of Camp Verde are excluded from the increase and will remain unchanged:

Sec. 8-432 Mining (business class 019); 8-445 Rental, Leasing, and Licensing for Use of Real Property (business code 045); 8-447 Rental, leasing, and licensing for use of real property: additional tax upon transient lodging (business code 144).

**TOWN OF ORO VALLEY****Effective March 1, 2015**

On December 17, 2014, the Mayor and Town Council of the Town of Oro Valley passed Ordinance No. (O)14-17. Ordinance No. (O)14-17 amended the tax code of the Town of Oro Valley by increasing the rate of taxation by **five-tenths of one percent (0.5%)** from the existing rate of **two percent (2%)** to a total of **two and five-tenths percent (2.5%)**.

This change affects the following business classifications:

Sec. 8A-405 Advertising (business code 018); 8A-410 Amusements, Exhibitions, and Similar Activities (business code 012); 8A-425 Job Printing (business code 010); 8A-427 Manufactured Buildings (027); 8A-430 Timbering and Other Extraction (business code 020); 8A-435 Publishing and Periodicals Distribution (business code 009); 8A-444 Hotels (business code 044); 8A-450 Rental, Leasing, and Licensing for Use of Tangible Property (business code 214); 8A-455 Restaurants and Bars (business code 011); Sec. 8A-460 Retail sales (business code 017); and 8A-475 Transporting for Hire (business code 006).

## **TOWN OF GUADALUPE**

**Effective April 1, 2015**

On January 8, 2015, the Mayor and Town Council of the Town of Guadalupe passed Ordinance No. 2015-01. Ordinance No. 2015-01 amended the tax code of Guadalupe Chapter 9 Transaction Privilege Tax otherwise known as the tax code of Guadalupe Article IV Section 9-447 Rental, Leasing and Licensing for Use of Real Property; additional tax upon transient lodging. The ordinance change creates the **Hotel/Motel (Additional Tax) Classification (business code GU 144) at six percent (6%)**.

Appointing the Arizona Department of Revenue to collect the tax on behalf of the town, and repealing Chapter 8, Article 8-4 of the Guadalupe Town code entitled Transient Lodging Tax.



### **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](http://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.

### **Payment and Refund Status Options Are Available on AZTaxes.gov**

- ACH Debit, E-Check, credit card and Visa or MasterCard branded debit cards
- Use [www.AZTaxes.gov](http://www.AZTaxes.gov) to check the status of your income tax refund
- Use "Make a Payment" option to pay your income tax

### **Electronic Payment Settlement Date**

In order for your electronic payment to be received timely, your electronic transaction must be submitted in advance of the cutoff time and due date:

- ACH Debit or E-Check; payments made on AZTaxes must be submitted before 5:00pm Mountain Standard Time (MST) the Arizona business day prior to the due date in order for your payment to settle the next business day. The settlement date is the date the money is debited from your bank account and credited to the Department of Revenue.
- Credit Cards; payments submitted before 5:00pm (MST) will be credited to your Department of Revenue account on the same day. Same day only applies to *credit card* payments.

## 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:  
<http://www.azdor.gov/Collections/PaymentArrangement.aspx>