

AZTaxes Newsletter

August 2015 Return and Payment

Transaction Privilege and Use Tax (TPT) is always due on the 20th of the month.

For TPT Electronic File and Pay

- **August 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) Tuesday, September 29, 2015.

For TPT Sent by Mail or Hand-Delivered

- **August 2015 TPT-1 and payment for all taxpayers who elect not to file electronically;** TPT-1 return and payment must be received no later than Tuesday, September 29, 2015. If the TPT-1 and payment is received after this date it will be considered late regardless of postmark.

TAX INFORMATION AND ALERTS

NEW! Arizona Tax Recovery

From September 1 through October 31, 2015, Arizona will offer Tax Recovery – this is an opportunity for those who live, work, or do business in Arizona to pay any back taxes owed to the state without penalty, interest or criminal prosecution for those who qualify. Because October 31, 2015 falls on a Saturday, Tax Recovery applications and returns must be received and paid in full by Monday, November 2, 2015 in order to qualify for the Tax Recovery Program.

The following taxes are included in the Tax Recovery Program: Individual Income, Corporate Income, Transaction Privilege (Sales), and Use Tax. Non program city taxes are NOT included.

All taxes that are due on an annual basis may request tax recovery for any tax year ending before January 1, 2014. For example, an individual that files on a calendar year basis may request tax recovery for tax years through 2013.

All other taxpayers may request tax recovery for any tax period ending before February 1, 2015.

Tax Recovery Tax Returns MUST be accompanied by the Tax Recovery Application form, and MUST be received and paid in full by November 2nd in order to qualify for the Tax Recovery Program.

Eligibility requirements and other information: <https://www.azdor.gov/TaxRecovery.aspx>

New! 98th Annual Arizona Tax Conference

Event is co-sponsored by the Arizona Department of Revenue and the Arizona Association of Assessing Officers. This year's conference features presentations on topics of interest to Arizona's tax professionals:

- The conference will be held at Little America Hotel in Flagstaff, Arizona beginning Wednesday, October 14, 2015.
- If you are interested, you can register online. For more information and to register, go to <https://www.azdor.gov/Home.aspx>.



New! Tutorials and Resource Tool

Contracting Videos; new tutorials are available for viewing on You Tube! We have contracting videos that will provide an explanation of the statutory prime contracting changes that went into effect on January 1, 2015. Learn how to report these changes on your TPT-1.

Arizona Tax Rate Look Up Resource; a new resource tool is now available to help you look up the current tax rate for the jurisdiction and business description.

Luxury Tax; Arizona has a new tobacco e-file program. Learn how to register, file and pay using ALTO, the new Arizona Luxury Tax Online service.

Check it out at: <https://www.azdor.gov/TaxpayerEducation/Tutorials.aspx>



Important! Deduction Codes Required on your TPT-1

Every deduction taken on your TPT-1 must have a deduction code and a completed Schedule A attached. Deductions are to be itemized by category on Schedule A on page 2 of the TPT-1 form.

Deductions reported with no Schedule A or an incorrect or missing deduction code will be disallowed and penalties and interest may apply.

NOTE: Previous deduction codes 888 and 999 are no longer available. Standardized list of deduction codes is available on our Forms page at:

www.azdor.gov/Forms/TransactionPrivilegeTax.aspx

www.azdor.gov/TPTSimplification/DeductionCodes.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.

The new state/county combined rates are available here:

<http://www.azdor.gov/Business/TransactionPrivilegeTax/TPTRates.aspx>

City of Benson

Effective August 1, 2015: On May 11, 2015, the Mayor and City Council of the City of Benson passed Ordinance No. 577. Ordinance No. 577 amended the tax code of the City of Benson by increasing the rate of taxation from the existing rate of **two and one-half percent (2.5%)** to a total of **three and one-half percent (3.5%)**. Repealing code provisions that conflict; penalizing violations thereof; providing for severability; and designating an effective date and making provision for existing contracts. This change affects the following business classifications;

Advertising Business Class increases from **two and one-half percent (2.5%)** to **three and one half percent (3.5%)** reported under Business Code (**BS 018**).

Amusement Business Class increases from **two and one-half percent (2.5%)** to **three and one half percent (3.5%)** reported under Business Code (**BS 012**).

Job Printing Business Class increases from **two and one-half percent (2.5%)** to **three and one half percent (3.5%)** reported under Business Code (**BS 010**).

Manufactured Buildings Business Class increases from **two and one-half percent (2.5%)** to **three and one half percent (3.5%)** reported under Business Code (**BS 027**).

Timbering and Other Extraction Business Class increases from **two and one-half percent (2.5%)** to **three and one half percent (3.5%)** reported under Business Code (**BS 020**).

Publishing Business Class increases from **two and one-half percent (2.5%)** to **three and one half percent (3.5%)** reported under Business Code (**BS 009**).

Hotel Business Class increases from **two and one-half percent (2.5%)** to **three and one half percent (3.5%)** reported under Business Code (**BS 044**).

Restaurant and Bars Business Class increases from **two and one-half percent (2.5%)** to **three and one half percent (3.5%)** reported under Business Code (**BS 011**).

Retail Sales Business Class increases from **two and one-half percent (2.5%)** to **three and one half percent (3.5%)** reported under Business Code (**BS 017**).

Retail Sales Food for Home Consumption Business Class increases from **two and one-half percent (2.5%)** to **three and one half percent (3.5%)** reported under Business Code (**BS 062**).

Telecommunication Business Class increases from **two and one-half percent (2.5%) to three and one half percent (3.5%)** reported under Business Code (**BS 005**).

Transporting for Hire Business Class increases from **two and one-half percent (2.5%) to three and one half percent (3.5%)** reported under Business Code (**BS 006**).

Utility Business Class increases from **two and one-half percent (2.5%) to three and one half percent (3.5%)** reported under Business Code (**BS 004**).

The tax rate in the following section of the Tax Code of the **City of Benson** are excluded from the increase and will remain unchanged:

Construction Contracting Business Class remains at **four percent (4%)** and is reported under Business Code (**BS 015**).

Speculative Builders Business Class remains at **four percent (4%)** and is reported under Business Code (**BS 016**).

Owner-builders Business Class remains at **four percent (4%)** and is reported under Business Code (**BS 037**).

Mining - Metal Business Class remains at **one tenth of one percent (.10%)** and is reported under Business Code (**BS 019**).

Hotel (Additional Tax) Business Class remains at **two percent (2%)** and is reported under Business Code (**BS 144**).

Residential Rental, Leasing, and Licensing for Use of Real Property Business Class remain at **two and one half percent (2.5%)** and reported under Business Code (**BS 045**).

Commercial Rental, Leasing, and Licensing for Use of Real Property Business Class remain at **two and one-half percent (2.5%)** and reported under Business Code (**BS 213**).

Rental, Leasing, and Licensing for Use of Tangible Personal Property Business Class remain at **two and one-half percent (2.5%)** and reported under Business Code (**BS 214**).

Retail Sales of a Single Item over \$5,000 Business Class remain at **one percent (1%)** and reported under Business Code (**BS 717**).



Town of Camp Verde

Effective August 1, 2015: On May 19, 2015, the Mayor and Common Council of the Town of Camp Verde passed Ordinance No. 2015-A405. Ordinance No. 2015-A405 amended the tax code of the Town of Camp Verde by decreasing the rate of taxation for transaction privilege tax from **three and sixty-five hundredths percent (3.65%) to one percent (1%)** on the portion of the single item retail price over \$5,000.00. All tax in the remainder of Section 8-460 and all other sections are excluded from any decrease and remain unchanged.

Ordinance No. 2015-A405 adopted **Local Option V** which modifies Section 8-460 Retail Sales of the Town Tax Code.

Option V, imposes a two-tier tax on retail sales for a single item that exceeds \$5,000. When gross receipts from the sale of a **single item** of tangible personal property exceeds **\$5,000**, the **three and sixty-five hundredths percent (3.65%)** shall apply to the first \$5,000. This is reported using Business Code **(CE 017)**. The portion that exceeds \$5,000 shall be taxed at **one percent (1%)** and shall be reported using Business Code **(CE 357)**.

Town of Wickenburg

Effective August 1, 2015: On June 1, 2015, the Mayor and Council of the Town of Wickenburg passed Ordinance Number 1150. Ordinance Number 1150 amended Section 9A-447 of the Town of Wickenburg Tax Code by increasing the **Hotel/Motel (Additional Tax)** from **two percent (2%)** to **three percent (3%)** reported under Business Code **(WB 144)**.

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

***Remember!* 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.

Good to Know! 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>