



# Transaction Privilege Tax Changes and News

This publication is an informational notice for December 2015.

Taxpayer Information & Assistance Section: (602) 255-3381 or toll-free from 520 or 928 area code at (800) 352-4090  
[www.azdor.gov](http://www.azdor.gov) or [www.AZTaxes.gov](http://www.AZTaxes.gov)

## CITY OF SEDONA RETURNING TO THE STATE COLLECTION SYSTEM

**Effective January 1, 2016:** The City of Sedona is returning to the state collection system effective January 1, 2016. Starting with your January 2016 reporting period due February 2016, you will use the state TPT tax form to file and submit with payment to the Arizona Department of Revenue (ADOR).

For TPT reporting periods prior to January 2016 use the Revenue Discovery Systems (RDS) tax form. This includes the tax return for reporting period December 2015 due in January 2016. **Mail the RDS tax return and payment to RDS.**

The following reporting codes have been set up for Sedona:

Region Code	Business Code	Business Description	Rate
SE	012	Amusements	3.00 %
SE	015	Contracting-Prime	3.00 %
SE	016	Contracting- Speculative Builders	3.00 %
SE	037	Contracting-Owner-Builders	3.00 %
SE	010	Job Printing	3.00 %
SE	027	Manufactured Buildings	3.00 %
SE	020	Timbering and Other Extraction	3.00 %
SE	019	Severance-Metal Mining	0.10 %
SE	009	Publication	3.00 %
SE	044	Hotels	3.00 %
SE	144	Hotel/Motel (Additional Tax)	3.50 %
SE	213	Commercial Rental, Leasing and Licensing for Use	3.00 %
SE	214	Rental, Leasing and Licensing for Use of TPP	3.00 %
SE	011	Restaurants and Bars	3.00 %
SE	017	Retail Sales	3.00 %
SE	315	MRRA	3.00 %
SE	006	Transporting	3.00 %
SE	004	Utilities	3.00 %
SE	005	Communications	3.00 %
SE	029	Use Tax Purchases	3.00 %
SE	030	Use Tax From Inventory	3.00 %

## DEDUCTION CODES REQUIRED ON YOUR TPT-1

The gross amount on your TPT-1 includes the total amount of revenue invoiced, billed or otherwise recognized during the reporting period. Every deduction taken must have a deduction code. Deductions are to be itemized by category in Schedule A on page 2 of the TPT-1 form. *Deductions reported with 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](http://www.azdor.gov/Forms/TransactionPrivilegeTax.aspx)

## MODEL CITY TAX CODE

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

The new state/county combined rates are available here:

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

## ARIZONA TRANSACTION PRIVILEGE TAX RATE LOOK UP TOOL

New to the [www.AZTaxes.gov](http://www.AZTaxes.gov) website is a resource that can be used to find the transaction privilege tax rates for any location within the State of Arizona. Use the physical address or the zip code, or if it is unknown, the Map Locator link can be used to find the location. Select the appropriate business description and the state/county and city (if applicable) transaction privilege tax rates along with the business codes needed to report your transaction will be displayed. Internet Explorer, Chrome and Firefox currently support this feature.

### TOWN OF GILBERT

**Effective January 1, 2016:** On July 30, 2015, the Common Council of the Town of Gilbert passed Ordinance No. 2547. Ordinance No. 2547 amended the tax code of the Town of Gilbert by decreasing the rate of taxation for the specific Business Classes listed below from the existing rate of **one and one half percent (1.5%)** to **zero percent (0%)**. This change affects the following business classifications:

Feed at Wholesale (business code **GB 116**), Timbering and Other Extraction (**GB 020**), Rental Occupancy (**GB 040**). Ordinance No. 2547 amended the tax code by decreasing the rate of taxation on Severance – Metal Mining (**GB 019**) from **one tenth of one percent (.10%)** to **zero percent (0%)**.

### TOWN OF MARANA

**Effective January 1, 2016:** On November 4, 2015, the Mayor and Council of the Town of Marana passed Ordinance No. 2015.018 with an effective date of January 1, 2016.

Ordinance No. 2015.018 adopts **Local Option “A”** of the Model City Tax Code, effectively adding new agricultural machinery and equipment to the list of exempt “income producing capital equipment”.

### TOWN OF PRESCOTT VALLEY

**Effective January 1, 2016:** On October 22, 2015, the Mayor and Common Council of the Town of Prescott Valley passed Ordinance No. 811. Ordinance No. 811 amended the Town Code to increase the tax rate on certain categories of transactions from **2.33%** to **2.83%**. This affects the following business classifications:

Advertising (**PL 018**), Amusements (**PL 012**), Contracting – Prime Contracting (**PL 015**), Contracting – Speculative Builder (**PL 016**), Contracting – Owner Builder (**PL 037**), Job Printing (**PL 010**), Manufactured Buildings (**PL 027**), Timbering and Other Extraction (**PL 020**), Publication (**PL 009**), Hotels (**PL 044**), Hotel/Motel (Additional Tax) (**PL 144**), Rental, Leasing, & Licensing for Use of TPP (**PL 214**), Restaurant and Bars (**PL 011**), Retail Sales (**PL 017**), Retail Sales Food for Home Consumption (**PL 062**), MRRA Amount (**PL 315**), Communications (**PL 005**), Transporting (**PL 006**), Utilities (**PL 004**), Wastewater Utility Services (**PL 485**), Use Tax Purchases (**PL 029**), Use Tax From Inventory (**PL 030**).

The tax rate for the following business classification is excluded from the increase and will remain at **one tenth of one percent (.10%)**: Severance – Metal Mining (**PL 019**).

### CITY OF KINGMAN

**Effective July 1, 2016:** On October 6, 2015, the City of Kingman Common Council passed Ordinance No. 1799. Ordinance No. 1799 amended the tax code of the City of Kingman by extending the sunset date on the **two and fifty hundredths percent (2.5%)** increased rate in the transaction privilege and use tax rate from June 30, 2016 to December 31, 2017. This affects the following business classifications:

Advertising (**KM 018**), Amusements (**KM 012**), Contracting – Prime Contracting (**KM 015**), Contracting – Speculative Builder (**KM 016**), Contracting – Owner Builder (**KM 037**), Job Printing (**KM 010**), Manufactured Buildings (**KM 027**), Timbering and Other Extraction (**KM 020**), Publication (**KM 009**), Hotels (**KM 044**), Rental, Leasing, & Licensing for Use of TPP (**KM 214**), Restaurant and Bars (**KM 011**), Retail Sales (**KM 017**), MRRA Amount (**KM 315**), Communications (**KM 005**), Transporting (**KM 006**), Utilities (**KM 004**), Use Tax Purchases (**KM 029**), Use Tax From Inventory (**KM 030**).

The tax rate for the following business classifications will remain the same: Residential Rental (**KM 045**), Hotel/Motel (Additional Tax) (**KM 144**), Restaurant and Bar (Additional Tax) (**KM 111**).