



# Transaction Privilege Tax Changes and News

This publication is an informational notice included with the July 2015 Transaction Privilege Tax Return.  
Taxpayer Information & Assistance Section: (602) 255-2060 or toll-free from 520 or 928 area code at (800) 843-7196  
[www.azdor.gov](http://www.azdor.gov) or [www.AZTaxes.gov](http://www.AZTaxes.gov)

## ARIZONA TAX RECOVERY

September 1 – October 31, 2015

The Department of Revenue will be offering a tax recovery/amnesty program between September 1, 2015 and October 31, 2015. Details will be available mid-August at [www.azdor.gov/TaxRecovery.aspx](http://www.azdor.gov/TaxRecovery.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.

## 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)

## TPT LICENSE RENEWAL

Every business licensed with the Arizona Department of Revenue is required to renew their Arizona transaction privilege tax license. The license is valid for one calendar year and must be renewed annually. The renewal is due January 1, 2016. There is no State renewal fee. You must complete this form even if you do not have any changes.

Certain changes to a Transaction Privilege Tax (TPT) license are subject to a fee of \$12 per location for the State license and any applicable City license fees. The following changes are subject to the \$12 State license fee and any city:

- ✓ Business name or DBA change
- ✓ Business location address change
- ✓ Addition of reporting jurisdictions
- ✓ Additional business or rental locations

Renewal notices will be sent separately this fall. If you do not receive your notice by December 31, 2015, please call 602-542-5027. It may take up to thirty days to process your renewal.

## ADDITIONAL CHANGES

Further changes including new TPT-2 and JT-2 forms will be implemented throughout 2015. Look for current information regarding pending changes posted on [www.azdor.gov](http://www.azdor.gov) as applicable.

## GRAHAM COUNTY JAIL TAX BEGINS JULY 1, 2015

**Effective July 1, 2015:** On November 4, 2014 Graham County voters approved a new Jail Tax. The tax is 0.5% (for most transactions) as authorized in ARS §48-4022. As of July 1, 2015 the total combined rate for *most* transactions will be 6.6%.

The new state/county combined rates are available here: <http://www.azdor.gov/Business/TransactionPrivilegeTax/TPTRates.aspx>

**For Prime Contractors:** Any increase in the rate of tax does not apply to contracts entered into or pursuant to written bids made by Prime Contractors on or before November 4, 2014. To qualify for the reduced rate, the prime contractor must maintain documentation to verify the date of the contract or written bid. **Gross income received from Pre-existing Prime Contracts will be reported under Class 130.**

## CITY OF YUMA

**Effective July 1, 2015:** On May 20, 2015, the City Council of the City of Yuma passed Ordinance No. O2015-029. Ordinance No. O2015-029 modifies Local Option V which changes the City of Yuma City Code Title 3, Chapter 37, Section (F)(3) relating to the two-level privilege tax structure on sales/purchases of retail increased the threshold of the dollar value of the single item sold at retail from \$25,000 to \$35,000.

Option V, imposes a two-tier tax on retail sales for single items that exceeds \$35,000. When gross receipts from the sale of a **single item** of tangible personal property exceeds **\$35,000**, the **one and seven tenths percent (1.7%)** shall apply to the first \$35,000. This is reported using (**YM 017**). The portion that exceeds \$35,000 shall be taxed at **zero percent (0%)**.

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## 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%)**. This change affects the following business classifications:

Advertising (business code **BS 018**), Amusement (business code **BS 012**), Job Printing (business code **BS 010**), Manufactured Buildings (business code **BS 027**), Timbering and Other Extraction (business code **BS 020**), Publishing (business code **BS 009**), Hotel (business code **BS 044**), Restaurant and Bars (business code **BS 011**), Retail Sales (business code **BS 017**), Retail Sales Food for Home Consumption (business code **BS 062**), MRRA Amount (business code **BS 315**), Telecommunication (business code **BS 005**), Transporting for Hire (business code **BS 006**), Utility (business code **BS 004**).

The tax rates 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 code **BS 015**), Speculative Builders (business code **BS 016**), and Owner-builders (business code **BS 037**) remains at **four percent (4%)**.

Mining - Metal (business code **BS 019**) remains at **one tenth of one percent (.10%)**

Hotel (Additional Tax) (business code **BS 144**) remains at **two percent (2%)**.

Residential Rental, Leasing, and Licensing for Use of Real Property (business code **BS 045**), Commercial Rental, Leasing, and Licensing for Use of Real Property (business code **BS 213**), and Rental, Leasing, and Licensing for Use of Tangible Personal Property (business code **BS 214**) remain at **two and one-half percent (2.5%)**.

**Retail Sales of a Single Item over \$5,000** (business code **BS 717**) remain at **one percent (1%)**.

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## 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**).

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## 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**).