



Transaction Privilege Tax Changes and News

This publication is an informational notice for July 2016.

Customer Care: (602) 255-3381 or toll-free from area codes 520 or 928: (800) 352-4090

www.azdor.gov or www.AZTaxes.gov

NEWS

The Arizona Department of Revenue (ADOR) has implemented changes to Transaction Privilege Tax (TPT) licensing and reporting, as required by law, effective July 1, 2016. For Non-Program Cities, these changes will become effective when centralized reporting for them takes effect later this fall.

- ADOR strongly encourages all businesses to register and file their transaction privilege taxes using www.AZTaxes.gov.
- All businesses must file by location number on the city detail section of your return. The location number can be found on your TPT License. Taxpayers registered in AZTaxes may access their location list online.
- State law requires businesses with more than one physical location in Arizona to file tax returns electronically via www.AZTaxes.gov (see A.R.S. § 42-5014.H.)
- ADOR no longer accepts the TPT-1 form for reporting periods beginning on or after June 1, 2016. Two new forms are available to accommodate location-based reporting for filing periods beginning on or after June 1, 2016. The [TPT-EZ](#) is a simplified tax form for businesses with one location or jurisdiction. The [TPT-2](#) replaces the outdated [TPT-1](#) for use by multi-location or multi-jurisdiction businesses.
- ADOR staff is available weekdays between 8 a.m. and 5 p.m. (M.S.T.) if you have questions or need assistance. Contact us toll-free at 1-844-698-9176 or by email at AskTPT@azdor.gov.

OWN TWO OR MORE LOCATIONS?

A.R.S. §42-5014.H provides that any person who is engaged in or conducting business in two or more locations or under two or more business names must electronically file their tax return(s). If your business falls into these categories, the department is going to attempt to contact you in person or by mail to help you register your business on AZTaxes.gov. If you do not hear from us and would like assistance, please call 1-844-698-9176 or email at AskTPT@azdor.gov.

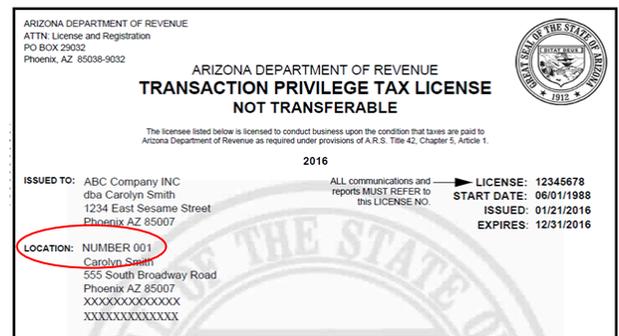
TPT LOCATION NUMBER/CODE

The location number(s) of your business can be found on your Transaction Privilege Tax (TPT) License, as assigned by the Department of Revenue. The unique location code is used to identify the physical address of each location of a business in a jurisdiction per license number. This will be necessary to properly report your activity by location on your Transaction Privilege, Use, and Severance Tax Return.

When registering for your TPT license, you have two options:

1. One license number for all locations: you will have multiple location numbers/codes that identify each separate location.
2. License your locations under separate license numbers: the license number will correspond with a unique location number and code.

Once licensed, if you close or move a location, that unique number/code will no longer be valid. The move to a new location will result in a new number/code. If you are expanding your business and open another location, the new location will receive a new number/code. The terms "location number" and "location code" can be used interchangeably. Location codes will be used on the city detail page on your return to report your information by each business location.





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AVAILABLE RESOURCES

The Department is offering classes statewide on its website, www.azdor.gov, under Taxpayer Education that can help you understand the new forms and requirements. You can also register to receive updates from the Department by email or text message. To subscribe, visit www.azdor.gov and click on "GET THE LATEST INFORMATION" from the right hand menu. You may opt out at any time.

RATE CHANGES

TOWN OF GILA BEND

Effective July 1, 2016: On April 26, 2016, the Mayor and Council of the Town of Gila Bend passed Ordinance No. 16-01. Ordinance No. 16-01 amended the Town Code to increase the tax rate on certain business classifications from **3%** to **3.5%**. This affects the following business classifications:

Amusement (**GI 012**), Contracting – Prime (**GI 015**), Contracting – Speculative Builders (**GI 016**), Contracting – Owner Builders (**GI 037**), Feed at Wholesale (**GI 116**), Job Printing (**GI 010**), Manufactured Buildings (**GI 027**), Timbering and Other Extraction (**GI 020**), Publication (**GI 009**), Hotels (**GI 044**), Rental, Leasing, & Licensing for Use of Tangible Personal Property (**GI 214**), Restaurant and Bars (**GI 011**), Retail Sales (**GI 017**), Retail Sales Food for Home Consumption (**GI 062**), MRRA Amount (**GI 315**), Transporting (**GI 006**), Utilities (**GI 004**).

The tax rate for the following business classification is excluded from the increase and will remain at **three and one half percent (3.5%)**: Communication (**GI 005**).

The tax rate for the following business classification is excluded from the increase and will remain at **one and one half percent (1.5%)**: Use Tax Purchases (**GI 029**), Use Tax From Inventory (**GI 030**).

The tax rate for the following business classification is excluded from the increase and will remain at **two percent (2%)**: Hotel/Motel (Additional Tax) (**GI 144**).

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 (**GI 019**).

The tax rate for the following business classifications are excluded from the increase and will remain at **three tenth of one percent (.30%)**: Use Tax Purchases (Gross Receipts > \$500,000) (**GI 439**), Use Tax From Inv (Gross Receipts > \$500,000) (**GI 440**).

The tax rate for the following business classifications are excluded from the increase and will remain at **three cents per gallon (.03/gal)**: Jet Fuel Sales (cents per gallon) (**GI 049**), Jet Fuel Use Tax (cents per gallon) (**GI 051**).

Effective September 1, 2016: On June 23, 2016, the Mayor and Council of the Town of Gila Bend passed Ordinance No. 16-04 which amended the Town Code to repeal the tiered structure of the use tax authorized under Section 8A-610(e).

The following business codes shall be repealed effective September 1 2016: Use Tax Purchases (Gross Receipts > \$500,000) (**GI 439**), Use Tax From Inv (Gross Receipts > \$500,000) (**GI 440**).

CITY OF WINSLOW

Effective July 1, 2016: In a Special Election held March 8, 2016, the City of Winslow was authorized to continue the **Additional one percent (1%) Privilege Tax**. Ordinance 1263 was passed and adopted by the Council of the City of Winslow, on April 12, 2016. The tax was approved for an additional five years beginning July 1, 2016. The privilege tax rate for Winslow will continue at **three percent (3%)**.



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CITY OF KINGMAN

Effective July 1, 2016: On October 6, 2015, the City of Kingman Common Council passed Ordinance No. 1799 which amended the tax code by extending the sunset date on the **two and one-half 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**).

