



# Transaction Privilege Tax Changes and News

This publication is an informational notice included with the April 2010 Transaction Privilege Tax Return.

## CHANGES TO ARIZONA WITHHOLDING OPTIONS REVISED FOR WAGES PAID AFTER JUNE 30, 2010

Senate Bill 1185 amended the amounts required to be withheld for Arizona withholding purposes. Through June 30, 2010, the amount required to be withheld was a percentage of federal withholding. For amounts withheld on or after July 1, 2010, the amount required to be withheld will no longer be a percentage of federal withholding. Amounts withheld on or after July 1, 2010, must be based on a table prescribed by the department. The department has prescribed a withholding table based on a percentage of gross taxable wages. "Gross taxable wages" is the amount that will be included in box 1 of the employee's Form W-2 (i.e. gross wages net of pretax deductions, such as the employee's portion of health insurance premiums). **For more information and forms, please go to [www.azdor.gov](http://www.azdor.gov)**

# IMPORTANT

**If you have a Transaction Privilege License or will be applying for one, changes to the law have been enacted that may affect you. These changes include:**

- Mandatory renewal and payment of a renewal fee for all Transaction Privilege licenses with an issue date of 7/1/2009 or before, and
- An increase in the fee for new Transaction Privilege Tax licenses; an increase in the fee for license updates and for new or additional business locations. These increases are effective June 15, 2010 and will remain in effect until 6/30/2011.

Additional information on these changes is forthcoming. Please check our website: [www.azdor.gov](http://www.azdor.gov) for the latest information.

**For all our business Taxpayers**

**Save time and money by using AZTaxes.gov to file and pay your Transaction Privilege and Withholding Tax returns. Registration is easy, fast, and free at [www.aztaxes.gov](http://www.aztaxes.gov).**