



Transaction Privilege Tax Changes and News

This publication is an informational notice for August 2010.

TRANSACTION PRIVILEGE TAX – LICENSE RENEWAL FEE INFORMATION

Recent change to Arizona law instructed the Department of Revenue to prescribe by rule a one-time Transaction Privilege Tax license **renewal** fee of \$40 for all licensees who have a valid Transaction Privilege Tax (TPT) license issued before July 1, 2009. Licensees in this group will receive an invoice for the renewal fee in the mail. Fees will be due within 14 days of the invoice date. **Do not pay the renewal fee until you receive an invoice!** In addition, unpaid fee balances will be subject to a payment reallocation from future filed returns to pay the fee bill. Unpaid renewal fees will result in the cancellation of the license. This could result in penalty, interest, and possible collection action. Included in the renewal fee invoice will be information on how the bill can be paid and how the license can be cancelled in lieu of paying the fee.

TOWN OF PARADISE VALLEY

Effective August 1, 2010: On May 28, 2010, the Mayor and Common Council of the Town of Paradise Valley passed Ordinance Number 624. Ordinance 624 increases the additional tax on Hotels/Motels from **three percent (3.0%)** to **three and four-tenths percent (3.4%)**. *Contracts entered into prior to the effective date of August 1, 2010 will continue to report at the rate of three percent (3.0%).*

Ordinances 624 tax rate increase affects the following classification:

Rental, leasing and licensing for use of real property: additional tax upon transient lodging.

The ordinance change creates the Hotel/Motel (Additional Tax) Classification (**PV 025**) and contracts entered into the effective date will continue to report under the Hotel/Motel (Additional Tax) Classification, *Contracts entered into prior to 8/01/2010 (PV 001).*

TOWN OF PAYSON

Effective August 1, 2010: On May 6, 2010, the Mayor and Common Council of the Town of Payson passed Ordinance Number 780. Ordinance 780 increases the additional tax on Hotels/Motels from **three percent (3.0%)** to **five percent (5.0%)**.

Ordinances 780 tax rate increase affects the following classification:

Hotels.

The ordinance change affects the Hotel/Motel (Additional Tax) Classification (**PS 003**).

CITY OF BENSON

Effective September 1, 2010: On June 28, 2010, the Mayor and Common Council of the City of Benson passed Ordinance Number 544. Ordinance 544 amends the Benson City Code by increasing the additional tax on hotels/motels from **two percent (2.0%)** to **four percent (4.0%)**. *Contracts entered into prior to the effective date of September 1, 2010 will continue to report at the rate of two percent (2.0%).*

Ordinances 544 tax rate increase affects the following classification:

Rental, leasing and licensing for use of real property; additional tax upon transient lodging/hotel motel.

The ordinance change creates the Hotel/Motel (Additional Tax) Classification (**BS 025**). Contracts entered into the effective date will continue to report under the Hotel/Motel (Additional Tax) Classification (**BS 001**).

CITY OF ST. JOHNS

Effective September 1, 2010: On June 10, 2010, the Mayor and Common Council of the City of St. John's passed Ordinance Number 140. Ordinance 140 amends the St. John's City Code by removing Local Option V from the City's Tax Code. This will remove the two-tier tax on any single item of tangible personal property that is subject to transaction privilege or use tax.

Ordinances 140 tax rate change affects the following classifications:

Retail, Use Tax.

The ordinance will remove the two-tier tax classifications of Single Item, Retail tax on portion over \$1,500 (**SJ 004**) and Single Item, Use Tax on portion over \$1,500 (**SJ 006**).