



Transaction Privilege Tax Changes and News

This publication is an informational notice included with the March 2015 Transaction Privilege Tax Return.

CITY BUSINESS CODES HAVE CHANGED!

City codes have changed. The new city codes are standard between all cities and match state codes in most instances. A bridge linking the old codes to the new codes has been created for each city to assist you in determining the new code. Each city bridge can be found on www.azdor.gov/Business/TransactionPrivilegeTax/TPTRates.aspx under the city name. In most cases, the code you use for the city matches the state/county code. For example, if you currently file 000 and you are a retailer, your new code is 017. Also please reference the Transaction Privilege and other Tax Rate Tables located on the same link as above for your current rate(s).

Please note: We are working toward resolving an issue that may have caused incorrect business codes that may have been associated with certain cities and possibly pre-printed on your TPT-1. We appreciate your patience. For more information, please check our website www.azdor.gov for updates.

STATE/COUNTY AND CITY DEDUCTION CODES HAVE BEEN EXPANDED

Effective January 1, 2015: State/county and city deduction codes have been expanded to accommodate a taxpayer's ability to properly file their deductions. Every deduction taken on your TPT-1 must have a deduction code. Deductions reported with no deduction code will be disallowed and penalties and interest may apply. You may no longer use deduction codes 888 or 999. Use of these codes will be disallowed and penalties and interest may apply. The standardized list is now available on our forms page at www.azdor.gov/Forms/TransactionPrivilegeTax.aspx or the TPT Simplification page at www.azdor.gov/TPTSimplification/DeductionCodes.aspx

As a result of recent statutory changes and a further review of statutory provisions, the following new deduction codes have been added to the Department's listings. For the *business codes* under which these new deduction codes may be taken, see the listings at: www.azdor.gov/TPTSimplification/DeductionCodes.aspx

- 584 – TPP sold to Form 5009L Subcontractor for Incorporation into PRIME CONTRACTING Project
 - 712 – PROPERTY Sold to Contractor for MRRRA Project on an INDIAN RESERVATION
 - 715 - TRANSP0 by MOTOR CARRIERS or LIGHT MOTOR VEHICLES – FEES PAID TO MVD
 - 725 - TPP Sales *BY* Nonprofit Charitable IRC 501(c)(3) Organization
 - 744 – VETERANS ORG: Sales of FOOD and DRINK on PREMISES
- [Deduction Codes 548, 570 and 584: The business code applicability for these codes has been changed.]

CONTRACTING FAQs BEING UPDATED

The revised Contracting FAQs will be posted on www.azdor.gov under News & Announcements sometime in April 2015. Please check our website under News & Announcements for upcoming classes.

CITY OF BISBEE

Effective March 1, 2015: On December 16, 2014, the City passed **Ordinance O-14-08** covering all provisions listed in the City Tax Code; however, because their Code is out-of-date with Article IV of the AZ Model City Tax Code (incorporated by reference), one provision was missed.

On January 20, 2015, the Mayor and City Council of the City of Bisbee passed Ordinance No. O-15-01. Ordinance No. O-15-01 amended the tax code of the City of Bisbee by increasing the rate of taxation by **one percent (1%)** from the existing rate of **two and five-tenths percent (2.5%)** to a total of **three and five-tenths percent (3.5%)** for a period **not to exceed eight (8) years**. This change affects the following business classification:

Sec. 8A-462 Retail sales: food for home consumption (business code 062).

On December 16, 2014, the Mayor and City Council of the City of Bisbee passed **Ordinance No. O-14-08** and **Ordinance No. O-14-09**. **Ordinance No. O-14-08** amended the tax code of the City of Bisbee by increasing the rate of taxation by **one percent (1%)** from the existing rate of **two and five-tenths percent (2.5%)** to a total of **three and five-tenths percent (3.5%)** for a period **not to exceed eight (8) years**. This change affects the following business classifications:

Sec. 8A-405 Advertising (business code 018); 8A-410 Amusements, Exhibitions, and Similar Activities (business code 012); 8A-415 Construction Contracting (business code 015); 8A-416 Construction Contracting Speculative Builders (business code 016); 8A-417 Construction Contracting Owner-Builders (business code 037); 8A-420 Feed at Wholesale (business code 116); 8A-425 Job Printing (business code 010); 8A-427 Manufactured Buildings (business code 027); 8A-430 Timbering and Other Extraction (business code 020); 8A-435 Publishing and Periodicals Distribution (business code 009); 8A-444 Hotels

(business code 044); 8A-445 Rental, Leasing, and Licensing for Use of Real Property (business code 045); 8A-450 Rental, Leasing, and Licensing for Use of Tangible Property (business code 214); 8A-455 Restaurants and Bars (business code 011); Sec. 8A-460 Retail sales (business code 017); 8A-470 Telecommunications services (business code 005); 8A-475 Transporting for hire (business code 006); and 8A-480 Utility services (business code 004).

Ordinance No. O-14-08 Amends the Tax Code for the City of Bisbee by repealing Sec. 8A-440 Rental Occupancy tax in its entirety.

Ordinance No. O-14-09 amended the tax code of the City of Bisbee by increasing the rate of taxation by **one percent (1%)** from the existing rate of **two and five-tenths percent (2.5%)** to a total of **three and five-tenths percent (3.5%)** for a period **not to exceed four (4) years**. This change affects the following business classification:

Sec. 8A-447 Rental, leasing, and licensing for use of real property: additional tax upon transient lodging (business code 144).



TOWN OF CAMP VERDE

Effective March 1, 2015: On January 7, 2015, the Mayor and City Council of the Town of Camp Verde passed Ordinance No. 2015-A403. Ordinance No. 2015-A403 amended the tax code of the Town of Camp Verde by increasing the rate of taxation from the existing rate of **three percent (3%)** to a total of **three point six five percent (3.65%)**. This change affects the following business classifications:

Sec. 8-405 Advertising (business code 018); 8-410 Amusements, Exhibitions, and Similar Activities (business code 012); 8-415 Construction Contracting: Construction Contractors (business code 015); 8-416 Construction Contracting: Speculative Builders (business code 016); 8-417 Construction Contracting: Owner-Builders (business code 037); 8-425 Job Printing (business code 010); 8-427 Manufactured Buildings (business code 027); 8-430 Timbering and Other Extraction (business code 020); 8-435 Publishing and Periodicals Distribution (business code 009); 8-444 Hotels (business code 044); 8-450 Rental, Leasing, and Licensing for Use of Tangible Property (business code 214); 8-455 Restaurants and Bars (business code 011); Sec. 8-460 Retail sales (business code 017); 8-470 Telecommunications services (business code 005); 8-475 Transporting for hire (business code 006); and 8-480 Utility Services (business code 004).

The tax rate in the following section of the Tax Code of the Town of Camp Verde will be increasing from **two percent (2%)** to **three point six five percent (3.65%)**:

Sec. 8-610 Use Tax: imposition of tax; presumption (business code 029)

The tax rate in the following section of the Tax Code of the Town of Camp Verde are excluded from the increase and will remain unchanged:

Sec. 8-432 Mining (business class 019); 8-445 Rental, Leasing, and Licensing for Use of Real Property (business code 045); 8-447 Rental, leasing, and licensing for use of real property: additional tax upon transient lodging (business code 144).



TOWN OF ORO VALLEY

Effective March 1, 2015: On December 17, 2014, the Mayor and Town Council of the Town of Oro Valley passed Ordinance No. (O)14-17. Ordinance No. (O)14-17 amended the tax code of the Town of Oro Valley by increasing the rate of taxation by **five-tenths of one percent (0.5%)** from the existing rate of **two percent (2%)** to a total of **two and five-tenths percent (2.5%)**.

This change affects the following business classifications:

Sec. 8A-405 Advertising (business code 018); 8A-410 Amusements, Exhibitions, and Similar Activities (business code 012); 8A-425 Job Printing (business code 010); 8A-427 Manufactured Buildings (027); 8A-430 Timbering and Other Extraction (business code 020); 8A-435 Publishing and Periodicals Distribution (business code 009); 8A-444 Hotels (business code 044); 8A-450 Rental, Leasing, and Licensing for Use of Tangible Property (business code 214); 8A-455 Restaurants and Bars (business code 011); Sec. 8A-460 Retail sales (business code 017); and 8A-475 Transporting for Hire (business code 006).



TOWN OF GUADALUPE

Effective April 1, 2015: On January 8, 2015, the Mayor and Town Council of the Town of Guadalupe passed Ordinance No. 2015-01. Ordinance No. 2015-01 amended the tax code of Guadalupe Chapter 9 Transaction Privilege Tax otherwise known as the tax code of Guadalupe Article IV Section 9-447 Rental, Leasing and Licensing for Use of Real Property; additional tax upon transient lodging. The ordinance change creates the **Hotel/Motel (Additional Tax) Classification (business code GU 144)** at **six percent (6%)**.

Appointing the Arizona Department of Revenue to collect the tax on behalf of the town, and repealing Chapter 8, Article 8-4 of the Guadalupe Town code entitled Transient Lodging Tax.