



Transaction Privilege Tax Changes and News

This publication is an informational notice for August 2015.

Taxpayer Information & Assistance Section: (602) 255-2060 or toll-free from 520 or 928 area code at (800) 843-7196
www.azdor.gov or www.AZTaxes.gov

ARIZONA TAX RECOVERY

September 1 – October 31, 2015

<https://www.azdor.gov/TaxRecovery.aspx>

From September 1 through October 31, 2015, Arizona will offer Tax Recovery -- an opportunity for those who live, work, or do business in Arizona to pay any back taxes owed to the state without penalty, interest or criminal prosecution for those who qualify. In order to qualify for the Tax Recovery Program, applications must be filed or postmarked and paid in full by Monday, November 2, 2015 as October 31, 2015 falls on a Saturday.

The following taxes are included in the Tax Recovery Program: Individual Income, Corporate Income, Transaction Privilege (Sales), and Use Tax. Non program city taxes are NOT included.

TPT SIMPLIFICATION UPDATE

TPT Simplification is underway to benefit you by consolidating licensing, reporting, payment, collection, and renewals with ADOR. This simplification is scheduled to apply 1/1/2016 to all cities and counties in Arizona. The changes to ADOR systems and forms, including AZTaxes for electronic / online filing will begin this fall. In the coming months you will see new license application and maintenance forms, new TPT reporting forms, and a new look for AZTaxes.

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

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 a renewal 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.

TOWN OF PATAGONIA

Retroactive to January 1, 2015: On May 27, 2015, the Mayor and Council of the Town of Patagonia passed Ordinance No. 2015-02. Ordinance No. 2015-02 amended the Patagonia Town Tax Code to conform to the Uniform Tax Licensing, Article III of the Model City Tax Code. This change has a retroactive effective date of January 1, 2015.

Patagonia Tax Code Section 320 relates to the License Fees. The Transaction Privilege Tax License fee, including for the business activities of Residential Real Property Rental, Leasing, and Licensing for Use and Commercial Real Property Rental, Leasing, and Licensing for Use, is **zero dollars (\$0.00)** for each license. This license fee change is effective July 1, 2015.

TOWN OF MAMMOTH

Effective September 1, 2015: On July 16, 2015, the Mayor and Town Council of the Town of Mammoth passed Ordinance No. 198.01. Ordinance No. 198.01 amended the tax code of the Town of Mammoth by increasing the rate of taxation from the existing rate of **two percent (2.0%)** to a total of **four percent (4.0%)**. This change affects the following business classifications:

Advertising (business code **MH 018**), Amusement (business code **MH 012**), Construction Contracting (business code **MH 015**), Speculative Builders (business code **MH 016**), Owner-builders (business code **MH 037**), Job Printing (business code **MH 010**), Manufactured Buildings (business code **MH 027**), Timbering and Other Extraction (business code **MH 020**), Publishing (business code **MH 009**), Hotel (business code **MH 044**), Commercial Rental, Leasing, and Licensing for Use of Real Property (business code **MH 213**), Rental, Leasing, and Licensing for Use of Tangible Personal Property (business code **MH 214**), Restaurant and Bars (business code **MH 011**), Retail Sales (business code **MH 017**), MRRRA Amount (business code **MH 315**), Telecommunication (business code **MH 005**), Transporting for Hire (business code **MH 006**), Utility (business code **MH 004**).

Ordinance Number 198.01 revokes **Model Option 6** of the Model City Tax Code that prohibits the imposition of an additional transient ("hotel") tax as part of the transaction privilege tax, and creates **Hotel/Motel (Additional Tax) Classification at four percent (4.0%)**. For reporting purposes, **Business Code (MH 144) for Hotel/Motel (Additional Tax)** will be used.

Ordinance Number 198.01 amended the Town Tax Code by adding **section 462** of the Model City Tax Code, Retail Sales, Food for Home Consumption. This creates Retail Sales Food for Home Consumption Business Class and is taxed at **four percent (4.0%)** and is reported under Business Code (**MH 062**).

The tax rates in the following sections of the Tax Code of the Town of Mammoth are excluded from the increase and will remain unchanged:

Mining - Metal Business Class remains at **one tenth of one percent (.10%)** and is reported under Business Code (**MH 019**).

Residential Rental, Leasing, and Licensing for Use of Real Property Business Class remains at **two percent (2.0%)** and reported under Business Code (**MH 045**).

Use Tax: Purchases Business Class remains at **two percent (2%)** and is reported under Business Code (**MH 029**).

Use Tax: Inventory Business Class remains at **two percent (2%)** and is reported under Business Code (**MH 030**).

CITY OF SURPRISE

Effective November 1, 2015: On August 4, 2015, the Mayor and Council of the City of Surprise passed Ordinance Number 2015-10. Ordinance Number 2015-10 amended Section 46-3.14-447 of the City of Surprise Tax Code by increasing the **Hotel/Motel (Additional Tax)** from **two and fifty-two hundredths percent (2.52%)** to **four and fifty-two hundredths percent (4.52%)** reported under Business Code (**SP 144**).

TOWN OF SUPERIOR

Effective December 1, 2015: On August 13, 2015, the Mayor and Council of the Town of Superior passed Ordinance Number 15-129. Ordinance Number 15-129 is repealing the sunset provision of Ordinance Number 117. The Sales Tax Rates for the Town of Superior will **remain at four percent (4.0%)**. Residential and Commercial Rental, Leasing, & Licensing for Use were not amended and will **remain at two percent (2.0%)**. Metalliferous Mining will remain at **one tenth of one percent (.10%)**.

TOWN OF GILBERT

Effective January 1, 2016: On July 30, 2015, the Common Council of the Town of Gilbert passed Ordinance No. 2547. Ordinance No. 2547 amended the tax code of the Town of Gilbert by decreasing the rate of taxation for the specific Business Classes listed below from the existing rate of **one and one half percent (1.5%)** to **zero percent (0%)**. This change affects the following business classifications:

Feed at Wholesale (business code **GB 116**), Timbering and Other Extraction (**GB 020**), Rental Occupancy (**GB 040**). Ordinance No. 2547 amended the tax code by decreasing the rate of taxation on Severance – Metal Mining from **one tenth of one percent (.10%)** to **zero percent (0%)** and is reported under Business Code (**GB 019**).

Ordinance Number 2547 revokes **Local Option P** of the Model City Tax Code that imposes a tax on Feed at Wholesale. Ordinance Number 2547 revokes **Local Option Q** of the Model City Tax Code that imposes a tax on Rental Occupancy.