Transaction Privilege Tax Changes and News

This publication is an informational notice for November 2015.

Taxpayer Information & Assistance Section: (602) 255-3381 or toll-free from 520 or 928 area code at (800) 352-4090
www.azdor.gov or www.AZTaxes.gov

CITY OF SEDONA RETURNING TO THE STATE COLLECTION SYSTEM

Effective January 1, 2016: The City of Sedona is returning to the state collection system effective January 1, 2016. Starting with your January 2016 reporting period due February 2016, you will use the state TPT tax form to file and submit with payment to the Arizona Department of Revenue (ADOR).

For TPT reporting periods prior to January 2016 use the Revenue Discovery Systems (RDS) tax form. This includes the tax return for reporting period December 2015 due in January 2016. **Mail the RDS tax return and payment to RDS.**

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 (ADOR) is required to renew their Arizona Transaction Privilege Tax (TPT) license. The TPT license is valid for one calendar year and must be renewed annually. The renewal is due January 1, 2016. **Do not send a payment to the department because there is NO STATE RENEWAL FEE.**

This year the department will automatically renew and mail your new TPT license certificate(s) in January of 2016. The new TPT license certificates will be generated for each business location on file and will be sent to the mailing address on file with the Department. **If there were no changes to your business, no additional action is required.**

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 mailed to you separately. If you do not receive your notice by December 31, 2015, please call (602) 255-3381 or toll free at (800) 352-4090. . It may take up to sixty days to process your renewal.

ARIZONA TRANSACTION PRIVILEGE TAX RATE LOOK UP TOOL

New to the www.AZTaxes.gov website is a resource that can be used to find the transaction privilege tax rates for any location within the State of Arizona. Use the physical address or the zip code, or if it is unknown, the Map Locator link can be used to find the location. Select the appropriate business description and the state/county and city (if applicable) transaction privilege tax rates along with the business codes needed to report your transaction will be displayed. Internet Explorer, Chrome and Firefox currently support this feature.

MODEL CITY TAX CODE

To find information about City Tax Code, recent and proposed changes to the Model City Tax Code and City Tax Rates, view online at http://modelcitytaxcode.az.gov/.

The new state/county combined rates are available here:
http://www.azdor.gov/Business/TransactionPrivilegeTax/TPTRates.aspx

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 **(GB 019)** from **one tenth of one percent (.10%) to zero percent (0%).**

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.

TOWN OF MARANA

Effective January 1, 2016: On November 4, 2015, the Mayor and Council of the Town of Marana passed Ordinance No. 2015.018 with an effective date of January 1, 2016.

Ordinance No. 2015.018 adopts **Local Option "A"** of the Model City Tax Code, effectively adding new agricultural machinery and equipment to the list of exempt "income producing capital equipment".

TOWN OF PRESCOTT VALLEY

Effective January 1, 2016: On October 22, 2015, the Mayor and Common Council of the Town of Prescott Valley passed Ordinance No. 811. Ordinance No. 811 amended Chapter 8A "Transaction Privilege Tax" of the Town Code to increase the tax rate on certain categories of transactions from **2.33%** to **2.83%**. This affects the following business classifications:

Advertising **(PL 018)**, Amusements **(PL 012)**, Contracting – Prime Contracting **(PL 015)**, Contracting – Speculative Builder **(PL 016)**, Contracting – Owner Builder **(PL 037)**, Job Printing **(PL 010)**, Manufactured Buildings **(PL 027)**, Timbering and Other Extraction **(PL 020)**, Publication **(PL 009)**, Hotels **(PL 044)**, Hotel/Motel (Additional Tax) **(PL 144)**, Rental, Leasing, & Licensing for Use of TPP **(PL 214)**, Restaurant and Bars **(PL 011)**, Retail Sales **(PL 017)**, Retail Sales Food for Home Consumption **(PL 062)**, MRRA Amount **(PL 315)**, Communications **(PL 005)**, Transporting **(PL 006)**, Utilities **(PL 004)**, Wastewater Utility Services **(PL 485)**, Use Tax Purchases **(PL 029)**, Use Tax From Inventory **(PL 030)**.

CITY OF KINGMAN

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