



Transaction Privilege Tax Changes and News

This publication is an informational notice for November 2016.

Customer Care: (602) 255-3381 or toll-free from area codes 520 or 928: (800) 352-4090

www.azdor.gov or www.AZTaxes.gov

NEWS

The State of Arizona and its Cities and Towns (Cities) continue to work together to achieve the goal of simplifying the manner in which taxpayers report and pay their Transaction Privilege Tax (TPT) through the centralization of licensing and reporting of TPT liabilities for all Cities with the Arizona Department of Revenue (ADOR).

BUSINESS ACCOUNT UPDATE

Beginning **November 7, 2016**, AZTaxes.gov will offer additional functionality. New features include: changing the mailing address on corporate, withholding and transaction privilege and use tax (TPT) licenses; add, edit and/or close locations for TPT licenses; and close accounts for withholding or TPT licenses. It may take up to four hours for you to see the changes to the account(s).

We encourage business owners to register to use AZTaxes.gov and update their information before you renew your TPT license.

TPT LICENSE RENEWALS

The department will process all TPT license renewals for all jurisdictions this fall. Businesses will receive one renewal notice per license from the department regardless of where the business is located. Businesses with more than one location must renew online at AZTaxes.gov. The due date to renew your TPT license is January 1, 2017. Renewal notices are scheduled to be mailed mid-November.

COMING SOON – CENTRALIZED LICENSING AND REPORTING

Effective January 1, 2017: Beginning with your January 2017 TPT return filed in February 2017 TPT return, the Arizona Department of Revenue will be the single point of administration and collection of state, county and municipal transaction privilege tax. Taxpayers will be able to file and pay for all jurisdictions to the department. This means if you currently report to a self-collecting city (i.e. non-program city), your last return to that city will be your December 2016 return filed in January 2017.

We strongly encourage taxpayers to file online via the AZTaxes.gov website for faster processing and fewer errors.

USING BUSINESS AND DEDUCTION CODES ON YOUR TPT RETURN

Many deduction codes can be used for several business activities, as allowed by statute or code. If a deduction claimed under a business activity is not applicable, the deduction will be disallowed.

NOTE: [Standardized lists of deduction codes](#) and [business code crosswalks](#) can be found on our website, www.azdor.gov



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RATE CHANGES

CITY OF GLOBE

Effective November 1, 2016: the Mayor and Council of the City of Globe passed Ordinance No. 834. Ordinance No. 834 amended the City Tax Code to increase the tax rate on certain business classifications from **two percent (2%)** to **two and three-tenths percent (2.3%)**.

The tax rate for the following business classifications will increase from **two percent (2%)** to **two and three-tenths percent (2.3%)**:

Advertising (**GL 018**), Amusement (**GL 012**), Contracting – Prime (**GL 015**), Contracting – Speculative Builders (**GL 016**), Contracting – Owner Builders (**GL 037**), Job Printing (**GL 010**), Manufactured Buildings (**GL 027**), Timbering and Other Extraction (**GL 020**), Publication (**GL 009**), Hotels (**GL 044**), Rental, Leasing, & Licensing for Use of Tangible Personal Property (**GL 214**), Restaurant and Bars (**GL 011**), Retail Sales (**GL 017**), Retail Sales Food for Home Consumption (**GL 062**), MRRRA Amount (**GL 315**), Communications (**GL 005**), Transporting (**GL 006**), Utilities (**GL 004**).

The tax rate for the following business classification is excluded from the increase and will remain at **two percent (2%)**: Commercial Rental, Leasing, & Licensing for Use (**GL 213**).

The tax rate for the following business classification is excluded from the increase and will remain at **three percent (3%)**: Hotel/Motel (Additional Tax) (**GL 144**).

The tax rate for the following business classification is excluded from the increase and will remain at **one tenth of one percent (.10%)**: Severance – Metal Mining (**GL 019**).

TOWN OF JEROME

Effective November 1, 2016: On August 9, 2016, the Town Council of the Town of Jerome passed Ordinance No. 420. Ordinance No. 420 amended the Town Tax Code to increase the tax rate on Transient Lodging and removed the exemption for tax on commercial rentals.

The tax rate for the following business classifications will increase from **two percent (2%)** to **three percent (3%)**: Hotel/Motel (Additional Tax) (**JO 144**).

Ordinance No. 420 revokes Local Option OO of the Model City Tax Code that prohibits the imposition of a Commercial Rental Tax. This **creates** the following business classification with a rate of **three and one half percent (3.5%)**: Commercial Rental, Leasing, & Licensing for Use (**JO 213**).