



Transaction Privilege Tax Changes and News

This publication is an informational notice for December 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 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 municipalities with the Arizona Department of Revenue (ADOR). **Effective January 1, 2017**, ADOR will be the single point of administration and collection of state, county and municipal TPT. Regardless of business location, taxpayers will conduct all TPT-related activity with ADOR. This transition officially begins with the January 2017 TPT return filed in February 2017. This means if you currently report to a self-collecting (i.e., non-program) city, your last return to that city will be your December 2016 return filed in January 2017.

The department currently is working to integrate self-collecting/non-program cities into the state system. Some of these cities, including Phoenix, are encouraging taxpayers to switch over to the state system before the January 1, 2017 effective date. If you currently report to a self-collecting/non-program city, please check with them to determine how they prefer you to file and pay TPT through the end of the year.

ADOR strongly encourages taxpayers to register and file online via the AZTaxes.gov website for faster processing and fewer errors.

State law requires taxpayers with multiple business locations to file their TPT returns electronically.

TPT LICENSE RENEWALS

The department will process all TPT license renewals for all jurisdictions. 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. Businesses should receive their renewal notice by November 30, 2016. If you do not receive a notice, please register and renew online at AZTaxes.gov.

The due date to renew your TPT license is January 1, 2017.

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.

REMINDER: As non-program cities transition to centralized reporting on the TPT return filed with ADOR, deduction codes that were used by the non-program cities will no longer be valid. Taxpayers are required to use the applicable three digit deduction codes created for allowable State and City deductions. [Standardized lists of deduction codes](#) and [business code crosswalks](#) can be found on our website, azdor.gov.

RATE CHANGES

CITY OF NOGALES

Effective January 1, 2017: On October 17, 2016, the City Council of Nogales passed Ordinance No. 02016-10-005. Ordinance No. 02016-10-005 amended the City Tax Code to create a tax rate on Wastewater Utility Services at two percent (2%).

The tax rate for the following business classification will be created at **two percent (2%)**: Wastewater Utility Services (NO 485).