

Licensing and Reporting Guidance for Residential Rental Property Managers REVISED November 18, 2015

Please follow this guidance on licensing and reporting municipal privilege taxes due on the rental of residential properties until you are instructed otherwise.

TAX LICENSING:

Residential Rental Property Managers (PMs) with **existing properties**: ONLY if you have not yet done so

- Provide one “DOR spreadsheet” to the Arizona Department of Revenue (ADOR) that lists each Owner and Property you manage, including both Program and Non-program cities and towns.
- DO NOT SEND ANY FEES WITH THE LIST.
- Any license fees that are due will be billed to you at a later date, without any penalties

New Properties Added / Properties Dropped, Located in Program Cities:

- Each month the PM submits the DOR spreadsheet listing all of their managed properties located in Program cities to ADOR. The PM is required to identify any new properties that it begins to manage, and also must identify any properties it no longer manages as of that month. DO NOT SEND LICENSE FEES WITH THE LIST. If license fees are due they will be billed to the PM by ADOR for any new property that is being added to the list. No license penalties will be billed until further notice.
- Note: A PM may not receive a license number or a bill for license fees for some time. There is no timeline in place for how long this will take. In the event a PM is no longer managing a property when the related fee is billed, please notify ADOR and they will remove the fee.

New Properties Added / Properties Dropped, Located in Non-Program Cities:

- PMs continue to license new properties located in Non-program cities directly with the cities, including paying the license fees directly to the city. A PM does not need to inform ADOR about any new property it is licensing with a Non-program city. As in the past, when a property is no longer managed, please inform the city that the mailing address needs to be changed.

TAX REPORTING AND PAYMENT:

Properties located in Program Cities:

- Continue to report and pay to ADOR as you always have.

Properties located in Non-Program Cities:

- Continue to report and pay to each city in the same manner that you always have. Nothing is being changed in the way reporting is handled. Consider what you did in 2014 to be the standard until told otherwise by ADOR and the cities.

Other:

- PMs should consider adding to their Property Management Agreements (PMA's) (or through some other process) the language the ADOR will be requiring in lieu of a Tax POA. Doing this sooner rather than later will help with initial compliance when the eventual shift to ADOR administration occurs.