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Governor

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ADOR BULLETIN: NOVEMBER 1, 2016 TRANSITION TO CENTRALIZED LICENSING AND REPORTING FOR TRANSACTION PRIVILEGE TAXES

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). The Cities are committed to ensuring that taxpayers experience a smooth transition in licensing, reporting and paying TPT liabilities due to the Cities with ADOR.

To facilitate the transition, region codes for applicable cities may have been added to your state TPT license. Please check your TPT return or AZTaxes account to view new region codes.

1. Register your City location with ADOR electronically as instructed at (<https://www.azdor.gov/TaxpayerEducation/Tutorials.aspx>).
2. If your business is already registered in the AZTaxes.gov system, add the city name in which the property is located as a location in the Region Code screen and the appropriate Business Codes as instructed in the State's tutorial titled "AZTaxes.gov:Step-by-Step Instructions to Completing the TPT-2 Form".
3. If your business has more than one physical location in Arizona, state law requires that you file the State's multijurisdictional TPT-2 tax return form and remit your payment online via the AZTaxes.gov website (<https://www.aztaxes.gov/Home>).
4. Notify the city you currently report to if you will be reporting and paying your tax liability to ADOR.

ADOR offers free taxpayer education tutorials, which may be accessed on the Department's website at <https://www.azdor.gov/TaxpayerEducation/Tutorials.aspx>.

We thank you for helping us make TPT Simplification a success. We are confident that these changes will make it easier for Arizona businesses to report and pay their State, County and City TPT taxes.

Arizona Department of Revenue

PROPERTY MANAGEMENT COMPANIES: PLEASE SEE NEXT PAGE.

Property Management Companies

For the remainder of 2016, Property Managers are required to continue, at a minimum, to report and pay in the manner reported and paid to the City of their location in the year 2014.

For calendar year 2017, when ADOR assumes central administration for licensing, reporting, and paying TPT, Property Managers should report and pay to ADOR as they currently are:

- If you currently report to the Cities on a consolidated basis all of your licensed property owners and locations, please continue doing so with ADOR.
- If you currently report and pay City TPT liabilities separately by licensed property owner and location, please continue doing this with ADOR.

Pursuant to A.R.S. § 42-6013, ADOR is expected to develop a new consolidated return format that separately identifies the gross income and deductions for each owner's property locations, which Property Managers will use beginning in 2018.