

Transporting

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To better serve you, the Arizona Department of Revenue offers online assistance and filing of your business taxes. To register to use the site and to file your taxes online, go to www.AZTaxes.gov.

This publication provides general information about transaction privilege tax (TPT) on transporting. For complete details, refer to the Arizona Revised Statutes and the Arizona Administrative Code. In case of inconsistency or omission in this publication, the language of the Arizona Revised Statutes and the Arizona Administrative Code will prevail.

Who Must Pay

Anyone in the business of transporting for hire, persons, freight, or property by motor vehicle, railroads, or aircraft from one point to another in Arizona is subject to transaction privilege tax. This does not include:

1. Transporting by motor vehicle, if the motor carrier fee or the light motor vehicle fee is paid to the Department of Transportation.
2. Certain ambulances or ambulance services.
3. Public transportation for the dial-a-ride program or special needs transportation services.
4. Airlines, where taxation of the business is preempted by federal law.

What is Taxable?

The tax base for the transporting classification is the total income from the business.

What is the Tax Rate and How Do I Pay?

The current combined state and county tax rates can be found in the *Arizona State, County and City Transaction Privilege and Other Tax Rate Tables* under business code 006. For ease of reporting, state and county rates are combined. City tax is reported separately.

Factoring Transaction Privilege Tax

You may choose to charge a single amount for transporting rather than separately itemizing the transaction privilege tax. In this case, you can use “factoring” to compute the tax included in the amount charged to the customer. See Arizona Transaction Privilege Tax Procedure TPP 00-1 for information about factoring.

Third Party Transporting

You may be in the business of transporting even if the actual transporting is done by a third party independent contractor with its own vehicles. If you receive orders from customers, dispatch vehicles, do the billing and receive payment from the customer, you are subject to tax under the transporting classification. It does not matter if the physical transporting is done by third party independent contractors who own their own vehicles.

FOR ADDITIONAL INFORMATION:

~ Browse ~

www.azdor.gov

www.AZTaxes.gov

~ Call ~

(602) 255-3381

Toll-free within AZ: 1-800-352-4090

~ Write ~

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This publication is available in an alternative format upon request.