



# Arizona Department of Revenue

## TPT Newsletter

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April 2024

## Transaction Privilege Tax Changes and News

### COMING SOON - NEW TRANSACTION PRIVILEGE TAX EMAIL NOTIFICATIONS

In May 2024, the Arizona Department of Revenue will be implementing a new messaging feature from AZTaxes.gov. The automated email will remind transaction privilege tax (TPT) customers who fell behind on their tax obligations and may need to be prompted to file a return, pay a balance due, or renew their TPT license. Emailed messages will be sent to the email address associated with the AZTaxes.gov registration information.

Below are the circumstances a TPT customer may receive an email:

- A missed filing event such as a monthly, quarterly, or annual transaction privilege tax return.
- An unpaid balance with the Arizona Department of Revenue.
- Annual Renewal Reminder 1 - It's time to renew and the renewal link is available in AZTaxes.
- Annual Renewal Reminder 2 - An upcoming license renewal deadline is approaching.
- Annual Renewal Reminder 3 - TPT licenses were automatically renewed.

In some instances, the email will alert TPT customers to log into AZTaxes to review communication posted in the Message Center. Once the TPT customer logs into their account and accesses the message center, they will get a more detailed notification stating there is an unpaid balance on their account or that they missed a required filing event.

Our objective is to send friendly reminders to help TPT customers become compliant and more successful in the long run.

### SEARCH UNCLAIMED PROPERTY FOR NATIONAL SMALL BUSINESS WEEK

As we celebrate National Small Business Week April 28-May 4, the Arizona Department of Revenue (ADOR) encourages small business owners to take the time to search for any unclaimed property that may be owed to them. Unclaimed property can include forgotten bank accounts, uncashed checks, insurance benefits, and more. It is estimated that billions of dollars in unclaimed property are held by states across the country, and small businesses are not exempt from potentially being owed property.

ADOR offers an easy-to-use online search platform where individuals and businesses can see if they are owed any unclaimed property. Small business owners should visit <https://azdor.gov/unclaimed-property> and search their business name to see if they have any unclaimed property waiting to be claimed.

### RESIDENTIAL RENTAL TAX CHANGES

[A.R.S. § 42-6004 \(H\)](#) has been amended to prohibit a city, town, or other taxing jurisdiction from levying a transaction privilege, sales, gross receipts, use, franchise or other similar tax or fee, however denominated, on the business of renting or leasing real property for residential purposes. (Lodging spaces rented for 30 days or more). Currently, there is no state transaction privilege (TPT) or county tax imposed on residential rentals. Therefore, Arizona cities will not be able to impose a tax on residential rentals from and after December 31, 2024. The Arizona Department of Revenue (ADOR) will be issuing guidance on this in the coming months.



(602) 255-3381 or toll-free at (800) 352-4090



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## ADOR AUTO-RENEWS 2024 STATE TPT LICENSES

ADOR will be sending renewal billing letters to businesses with overdue renewal fees. Renewals were due on January 1, 2024.

Beginning May 1, taxpayers will no longer have the ability to renew on [AZTaxes.gov](http://AZTaxes.gov), but can still pay the liability. Prompt compliance online can save both time and money. Taxpayers who have closed their business can cancel their existing Transaction Privilege Tax (TPT) license through [AZTaxes.gov](http://AZTaxes.gov) or submit a [Business Account Update](#) form with a cancel effective date. This will ensure your account remains in good standing and avoids additional penalties and interest.

Keep your mailing addresses and account information up-to-date to ensure letters, notices, and billings go to the correct address. Please note, there is a unique address for all renewal forms, correspondence, and payments:

Arizona Department of Revenue  
Attn: License and Registration  
PO Box 29082  
Phoenix, AZ 85038-9082

Renewal forms, correspondence, or payments sent to any other address will delay processing.

As a reminder, operating without proper licensing may be a class 3 misdemeanor.

For more information, visit [azdor.gov/transaction-privilege-tax/tpt-license/renewing-tpt-license](http://azdor.gov/transaction-privilege-tax/tpt-license/renewing-tpt-license).

## DUE DATE REMINDERS

### TPT Filing Frequency and Due Dates\*- *Monthly, Quarterly*

TPT filers are reminded of the following **March** TPT filing deadlines:

- **April 22** - TPT return due date
- **April 29** - Paper returns must be received by ADOR by 5:00 p.m. on this date
- **April 30** - Electronic returns must be received by ADOR by 5:00 p.m. on this date

\*The electronic due date for TPT return is dependent on the return and payment being timely and filed electronically. **It is highly encouraged to pay three business days prior to the last business day of the month (April 25) to ensure your payment is accepted and processed into ADOR systems.**

## TAX CHANGES

### **City of Williams** - *Effective date of April 1, 2024.*

The City of Williams is withdrawing Model Option 6 from MCTC 444 which removes the term transient from the hotel classification and replaces it with person. The City is also increasing the rate for the hotel classification from 4.5% to 5.5%. In addition, the City is adopting MCTC 447 which adds rental, leasing, and licensing for use of real property: additional tax upon transient lodging to their tax code.

On January 25, 2024, the City of Williams passed Ordinance 1003. The Ordinance amends the City Code by increasing the hotel rate to five and one-half percent (5.50%) and adopting a local transient lodging tax by withdrawing Model Option #6, and adding a rate under hotel/motel additional tax of five and one-half percent (5.50%).

The (5.50%) affects the following business classifications:  
Hotels (**044**); Hotel/Motel (Additional Tax) (**144**).



**Town of Payson** - Effective date of May 1, 2024.

On February 6, 2024, the Town of Payson passed Ordinance 964. The Town is amending the Town Tax Code to increase the transaction privilege rate from two and eighty-eight hundredths percent (2.88%) to three and eighty-eight hundredths percent (3.88%). Providing for severability; providing for penalties and declaring an emergency.

The Town does allow for a pre-existing rate under the construction contracting classification. The rate imposed on gross receipts from construction contracting shall be computed based on the rate in effect when the contract was executed.

The (3.88%) affects the following business classifications:  
Advertising (018); Amusements (012); Contracting Prime (015); Contracting -Speculative Builders (016); Contracting - Owner Builder (037); Job Printing (010); Manufactured Buildings (027); Timber and Other Extraction (020); Publication (009); Hotels (044); Commercial Rental, Leasing, and Licensing for Use (213); Rental, Leasing, and Licensing for Use of TPP (214); Restaurants and Bars (011); Retail Sales (017); Retail Sales Food for Consumption (062); MRRR Amount (315); Communications (005); Transporting (006); Utilities (004).

Medical and Adult Use Marijuana:  
Medical Marijuana Retail Sales (203); Adult Use Marijuana Retail Sales (420); Retail Sales (Accessories/Ancillary Products) (017); Medical Marijuana Restaurant (221); Adult Use Marijuana Restaurant (421).

Remote Seller and Marketplace Facilitator:  
Retail Sales (605); Retail Sales Food for Home Consumption (606); Marketplace Facilitators in Arizona Retail Sales (017); Marketplace Facilitators in Arizona Retail Sales Food for Home Consumption (062); Marketplace Facilitators in AZ Third Party Sales (605); Marketplace Facilitators in AZ Third Party Sales Food for Home Consumption (606).

### HOW TO LINK EXISTING TPT LICENSE NUMBER TO THE NEW USER ACCOUNT

The Department encourages businesses to license their business through AZTaxes for quicker registration and processing of their application, along with streamlined filing and paying transaction privilege and withholding taxes.

*Apply for a New License*

When applying through AZTaxes, the first step is creating an account (user account) and applying for a license. The steps to create an account are as follows:

1. Go to [www.AZTaxes.gov](http://www.AZTaxes.gov).
2. Click on "Enroll to File and Pay Online" under Businesses.
3. Complete the required fields annotated with a red asterisk.
4. Read and check the Terms of Use policy acceptance box.

Click "Register." You will receive two emails from [Noreply@azdor.gov](mailto:Noreply@azdor.gov) within 24 hours. The first email will contain your username, and the second will provide a temporary password. Please check your spam folder if you do not find these emails in your inbox.

For visual instructions on creating a user account, see: [https://youtu.be/5H\\_X8HOBPf0](https://youtu.be/5H_X8HOBPf0).

*Connecting an Existing License to User Account*

If you are required to file and pay electronically but originally applied for a license by paper, you must create a user account through AZTaxes and link (or connect) the user account with the existing TPT License. Do not reapply for a license through AZTaxes if you already have a license.

Instead, you will link the license and user account. Similarly, when you open a bank account in person, they do not create





an online login for you, but you create an online account and connect your bank account with your login.

For visual instructions on linking your account, see this video: <https://youtu.be/gd3BGDmYNkM>.

## COMMON TPT FILING ERRORS

ADOR wants businesses to be successful when filing their business' transaction privilege tax returns. The main reason TPT paper returns do not process correctly is that they are filed by paper! Filing online at [AZTaxes.gov](https://www.aztaxes.gov) reduces the chance for errors because most of the information included on your return is pre-populated for you based on your TPT license information. If you must file by paper and have an annual waiver in place, let's make sure to file appropriately.

(Businesses with an annual transaction privilege tax (TPT) and/or use tax liability of \$500 or more during the prior calendar year are required to file and pay electronically.)

Watch the [Common Errors video](#) to learn some of the top reasons returns do not process correctly to your TPT account and how they can be avoided.

For more helpful tips and error explanations, see the [Notice and Correspondence Resource Center](#).

## FILING FACTS

- Check your business' balance or outstanding liabilities by logging into [AZTaxes.gov](https://www.aztaxes.gov). Select the account, then click "Pay," and "Pay Outstanding Liabilities."
- Verify and update your mailing address instantly and securely at [AZTaxes.gov](https://www.aztaxes.gov).
- Remember to file your TPT return for the prior month's activity.
- File a \$0 TPT return for temporarily closed businesses and residential rental property owners with no sales/or tax due. Go to [azdor.gov/business/transaction-privilege-tax](https://www.azdor.gov/business/transaction-privilege-tax) for more information.
- Keep your account history in good standing and avoid penalties. If no longer in business, cancel your existing TPT license on AZTaxes.gov or submit a Business Account Update Form.
- The tax rate look up tool on AZTaxes.gov is a useful tool for TPT filers in helping them find the TPT rates for any location within Arizona.
- If your primary user email no longer exists, you will need to register as a new user for AZTaxes. ADOR recommends this be an officer/owner of the business. Find [instructions on registering a new user](#). Once registered, you will need to complete a Business Account Update to change the primary user to the new user account.
- See the [list of deduction codes](#) and make sure you are claiming the correct deduction codes on your TPT return.
- Remember to click "Submit" when submitting a TPT return on AZTaxes. Clicking "Save" does not submit your return.

## EDUCATION, TUTORIALS AND TRAINING

All ADOR workshops are free of charge. Below are upcoming options available to taxpayers. To register or access online workshops, tutorials and resources, visit [azdor.gov/taxpayer-education](https://www.azdor.gov/taxpayer-education).

### WORKSHOPS

#### ADOR Business Tax - (Via WebEx)

Wednesday, April 17, 2024

1:00 p.m. - 4:00 p.m.



(602) 255-3381 or toll-free at (800) 352-4090



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# Arizona Department of Revenue *TPT Newsletter*

Wednesday, May 8, 2024  
9:00 a.m. - noon

**ADOR Common TPT Errors and How to Avoid Them - (Via WebEx)**

Thursday, April 18, 2024  
1:00 p.m. - 2:00 p.m.

Thursday, May 9, 2024  
10:00 a.m. - 11:00 a.m.

**ADOR Withholding Tax for Business Owners and Payroll Service Providers - (Via WebEx)**

Wednesday, April 24, 2024  
1:00 p.m. - 3:30 p.m.

**Property Owner Basics - (Via WebEx)**

Wednesday, May 1, 2024  
1:00 p.m. - 4:00 p.m.

**Property Management Company - (Via WebEx)**

These workshops are offered as a series and it is recommended to take them in order. Space in each class is limited so visit the [Taxpayer Education web page](#) to sign up today.

Workshop 1: Licensing and Power of Attorney  
Monday, May 13, 2024  
1:00 p.m. - 2:30 p.m.

Workshop 2: Engaging, Disengaging, and More  
Tuesday, May 14, 2024  
1:00 p.m. - 2:30 p.m.

Workshop 3: File, Pay, Amend, and More  
Wednesday, May 15, 2024  
1:00 p.m. - 2:30 p.m.

**ON-DEMAND TAX EDUCATION TUTORIALS:** Please visit <https://azdor.gov/taxpayer-education/tpt-tutorials>.

