



2016 FACT SHEET

Transaction Privilege Tax — For Contractors

June 10, 2016

www.azdor.gov

The Arizona Department of Revenue (ADOR) will be implementing changes to transaction privilege tax (TPT) licensing and reporting, as required by law. These changes affect all Arizona-based businesses as well as those located outside of Arizona that sell to Arizona customers. As contractors licensed to do business in Arizona, the following information may be of use to you.

For more information please visit our website, www.azdor.gov, or contact us directly at 1-844-698-9176 or by email at AskTPT@azdor.gov.

File Online for Easier Filing, Faster Processing

ADOR strongly encourages all taxpayers to file online at AZTaxes.gov for easier filing and faster processing. Businesses with more than one physical location in Arizona are required by law to file tax returns electronically via AZTaxes.gov.

Registering Your Business

When registering for your TPT license, you have two options:

1. One license number for all locations:

Multiple location codes are used on a single TPT return.

2. License your locations under separate license numbers:

Multiple TPT returns are filed, with each return utilizing a single location code.

Once licensed, if you close or move a location, that unique location code will no longer be valid. ADOR will issue a new location code if you move to a new location or if you expand your business and open another location.

Some businesses may have one business location and conduct activity in multiple jurisdictions. Such businesses should only be licensed and report under a single location code. Contractors are an example of such a business.

Location-based Reporting

Beginning in the summer and fall of 2016, all businesses, regardless of their geographic location, will be required to use location-based reporting when submitting their TPT returns. All businesses licensed with ADOR will receive a location code identifying the physical location where the business operates. It is the 3-digit numeric code printed on your TPT license, as shown on Figure 1. Location codes will be used on the city detail page on your return to report your information by each business location.

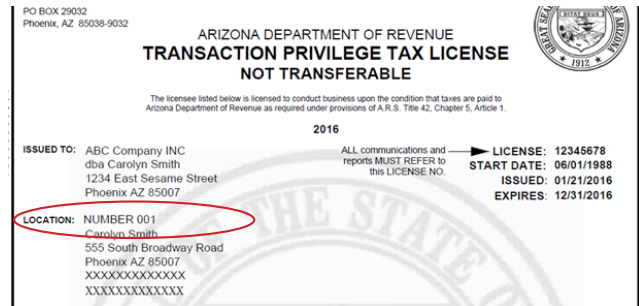


Figure 1 — The location code identifying the physical location where the business operates.

How will location based reporting work for contractors?

A contractor may have one location code and file under multiple jurisdictions. For example, a contractor could have a home office in Surprise and do business in Surprise, Gilbert, Fountain Hills and El Mirage. In this case, the contractor would report state/county and city transactions as shown below (Fig. 2.)

TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX RETURN - (TPT-EZ)

STATE (AZ) /COUNTY TRANSACTION DETAIL (See Table 1 on the Tax Rate Table, www.azdor.gov)

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
REG. CODE	NAME OF REGION	BUS. CODE	DESC. OF BUS. ACTIVITY	GROSS RECEIPTS	DEDUCTIONS FROM SCHEDULE A	(F) - (G)	NET T.
1	MAR	MARICOPA	015	CONTRACT.	1,350.00	360.00	
2							
3							
4							
5							
6							
7	AZ/COUNTY SUBTOTAL (AMOUNT IN COLUMN M, MUST EQUAL PAGE 1, LINE AA)				1,350.00	360.00	

CITY TRANSACTION DETAIL (See Table 2 on the Tax Rate Table, www.azdor.gov)

(A)	(B)	(C)	(D)	(E)	(F)	(G)
LOC. CODE	CITY CODE	NAME OF CITY	BUS. CODE	DESC. OF BUS. ACTIVITY	GROSS RECEIPTS	DEDUCTIONS FROM SCHEDULE A
8	001	SP SURPRISE	015	CONTRACT.	400.00	100.00
9	001	GB GILBERT	015	CONTRACT.	300.00	50.00
10	001	EM EL MIRAGE	015	CONTRACT.	500.00	150.00
11	001	FH FOUNTAIN HILLS	015	CONTRACT.	150.00	60.00

Figure 2 — A single location code is used in column A on the city transaction sheet. This number is the same number referred to on Figure 1.

Benefits of filing at AZTaxes.gov:

- Greater customer convenience
- Automatic linking of tax rates and codes
- Auto-calculating tax returns, eliminating potential for errors
- Receiving confirmation when returns are filed
- View, save or print a copy of your filed return