



Administrative Services/Finance

TRANSIENT LODGING

This brochure is intended to help owners of vacation(short-term) rentals understand the Transaction Privilege (sales) Tax (TPT) laws that apply to their businesses. This information is based on the Model City Tax Code and the Arizona Revised Statutes, Title 42.

Who is a transient lodging operator?

- A transient lodging operator is an owner of lodging space furnished to any person on a short-term basis (less than 30 consecutive days) for a consideration.

What are the Transaction Privilege Tax requirements?

- Obtain a TPT license. All transient lodging business owners must have a license in accordance with A.R.S § 42-5042(A):

“An online lodging operator may not offer for rent a lodging accommodation without a current transaction privilege tax license.”

- List TPT license in all advertisements in accordance with A.R.S § 42-5042(A):

“The online lodging operator shall list the transaction privilege tax license number on each advertisement for each lodging accommodation the online lodging operator maintains” [A.R.S § 42-5042(A)]

- File TPT returns. All online business owners must file returns periodically.

How do I obtain a TPT license?

- You can apply for a license by visiting <https://www.aztaxes.gov/Home/WelcomeRegister>
- You can also download and fill out the Joint Tax Application here: <https://azdor.gov/forms/tpt-forms/joint-tax-application-tpt-license> and then mail the application to the Arizona Department of Revenue, PO Box 29032, Phoenix, AZ 85038

Where on the advertisement do I list the TPT license?

- You can list your license number anywhere in the property description box of the online advertisement.

How often do I have file a TPT return?

- TPT filing frequency is determined by the businesses total estimated annual combined Arizona, county and municipal TPT liability as follows:

- ❖ Annual: Less than \$2,000 estimated annual combined tax liability
- ❖ Quarterly: \$2,000 - \$8,000 estimated annual combined tax liability
- ❖ Monthly: More than \$8,000 estimated annual combined tax liability

I conduct part or all my business through a third party who collects and remits the taxes to the Department of Revenue, do I still have to file a TPT return?

- Yes, however, you are allowed a deduction for the portion of the gross receipts the third-party pays taxes on by using deduction code 775.

How do I file a TPT return?

- Visit www.aztaxes.gov to file a TPT return electronically.
- You can find a step-by-step guide on how to file a return at this location:

https://azdor.gov/sites/default/files/media/PUBLICATION_TPT_TPT2-stepbystep.pdf

Are there penalties for failing to comply with these requirements?

- Yes, the Department of Revenue may impose penalties for operating without a license and for not listing the TPT license on the advertisement pursuant to A.R.S. § 42-1121.02.
- The penalty for the first offense is \$250 and \$1,000 for a subsequent offense.

When applying for a license I am asked the NAICS code, what is the vacation rental NAICS code?

- The North American Industry Classification System (NAICS) for vacation rentals is 721199.

What are the region codes I am asked for in the TPT application?

- The region codes applicable for Lake Havasu businesses are MOH for county and LC for city.

What business codes apply to vacation rentals?

- For the county, the business code is 025-Transient lodging.
- For the city, the codes are 044-Hotel & 144-Additional Hotel Tax. You only need to enter the numbers.

Additional resources:

- TPT Tutorials: <https://azdor.gov/taxpayer-education/tpt-tutorials>
- Lodging Operators and Lodging Marketplace Publication:
https://azdor.gov/sites/default/files/media/PUBLICATION_OLMfactsheet.pdf

YOU OWE TAX ON HOTELS IF: | You are operating a hotel or vacation rental in Lake Havasu City.

DEFINITION OF A HOTEL: | "Hotel" means any public or private hotel, inn, hostel, **tourist home, house**, motel, rooming house, apartment house, trailer, or other lodging place within the City offering lodging, wherein the owner thereof, for compensation furnishes lodging to any **transient**, except foster homes, rest homes, sheltered care homes, nursing homes, or primary health care facility.

DEFINITION OF TRANSIENT: | "Transient" means any person who either at the person's own expense or at the expense of another obtains lodging space or the use of lodging space on a daily or weekly basis, or on any other basis for less than thirty (30) consecutive days.

LAKE HAVASU CITY TAX RATE: | The tax rate shall be at an amount equal to two percent (2%) of the gross income from the business activity upon every person engaging or continuing in the business of operating a hotel charging for lodging and/or space furnished to any Transient. (City Code - Section 3.04-444)

LAKE HAVASU CITY ADDITIONAL TAX FOR TRANSIENT LODGING: | In addition to the taxes levied as provided in Section 3.04-444 above; there is an additional tax in the amount of three percent (3%) of the gross income levied per Section 3.04-447 of the City Code.



RENTAL PERIODS: | If a "Hotel" rents out a unit for a rental period over 30 days, no tax is due, this is considered residential rental.

If a "Hotel" rents out a unit for a rental period less than 30 days (daily/weekly) all taxes apply even if the person stays for years.

Examples:

I go to a "Hotel" and sign a lease for 60 days. There is no tax because I have rented the unit for over 30 days.

I go to a "Hotel" and rent the unit for one week at a time and I stay for 60 days. The full tax rate applies for the 60 days.

When filing your Arizona State Transaction Privilege Tax (TPT) you will use the following descriptions and codes:

State/County – MOH Lake Havasu City – LH

Business Description	Region Code	Business Class	Percentage %
Transient Lodging	MOH	025	5.50%
Hotels	LH	044	2.00%
Hotels/Motel (Add'l Tax)	LH	144	3.00%
Total			10.50%

This publication is for general information only about Transaction Privilege Tax (TPT) on income from "Hotel & Vacation Rental" activities. This is an informal and nonbinding communication.

For complete details, refer to Lake Havasu City Code for Privilege and Excise Taxes. In case of inconsistency or omission in this publication, the language of the Tax Code will prevail. The transaction privilege tax is commonly referred to as a sales tax; however, the tax is on the privilege of doing business in Lake Havasu City and is not a true sales tax.

Lake Havasu City Code in its entirety can be found at:

<https://codelibrary.amlegal.com/codes/lakehavasu>

FACT SHEET

Transaction Privilege Tax — Setup Your AZTaxes.gov Account



Revised on August 2018

www.azdor.gov

1 Register An Account:

1. Click on "Enroll to File and Pay Online" under Businesses.
2. Read the information listed on the User Account Registration Welcome page and click "Continue".
3. Complete the required fields annotated with a red asterisk.
4. Read the Terms of Use policy and check the acceptance box.
5. Click "Register".
6. You will receive two emails from noreply@azdor.gov. The first email will contain your username, and the second will provide a temporary password. If you do not find these emails in your inbox, please check your spam folder. This password expires after 24 hours. If you cannot locate either or both of these emails, please call the Arizona Department of Revenue toll-free at 800-352-4090 weekdays only between 8 a.m. and 5 p.m. (M.S.T.)

2 Setup Your E-Signature PIN:

1. Log into AZTaxes.gov using the username and temporary password provided in the email.
2. Change your temporary password to a password of your choice. The password must contain at least one number, one letter, one special character (!, @, #, \$, %, &, *, or ?) and must be 8 to 16 characters long.
3. After logging in using your personal password, you will be asked to answer four security questions. Make sure you remember your answers or write them down as you will not be able to recall them at a later date. Then click on "Submit Answers".
4. Create a self-selected E-Signature personal identification number (PIN.) Your PIN is required to electronically sign your applications and/or returns. Your PIN must be 6 to 10 digits.
5. Read the Terms of Use policy and check the acceptance box. Then click on "Save E-Signature PIN".

3 Link Your Accounts:

1. Log into AZTaxes.gov using your username and password.
2. If already have a TPT license or withholding number, click on "Link Accounts".
3. Read the information on the Business Account Linking Welcome page.
4. Check the box verifying that you have the required information, then click "Continue".

5. Was there a payment made in the last 12 months?

6. If **NO**, then:

- a. Complete the required fields annotated with a red asterisk.
- b. Check the box verifying that you are not a robot, then click "Save & Continue".
- c. Enter your E-signature PIN in the required field.
- d. Click "Submit".
- e. Keep a copy of the confirmation for your records and click "Finished".

If **YES**, then:

- a. Complete the required fields annotated with a red asterisk.
- b. Select "Yes" to the last question.
- c. Check the box verifying that you are not a robot, then click "Save & Continue".
- d. Select the "Year" and "Month" your payment was applied to; not when you made the payment.
- e. Select the type of tax from the tax type drop down menu.
- f. If you selected tax type "Transaction Privilege Tax," enter the TPT license number.
- g. Enter the exact amount of payment for the period used in step (d) above. Click "Save & Continue".
- h. Enter your E-signature PIN in the required field. Click "Submit".
- i. Keep a copy of the confirmation for your records and click "Finished".

ARIZONA JOINT TAX APPLICATION (JT-1)



License and Registration
ARIZONA DEPARTMENT OF REVENUE
 PO BOX 29032
 Phoenix, AZ 85038-9032

IMPORTANT! Incomplete applications WILL NOT BE PROCESSED.

- Please read form instructions while completing the application. Additional information and forms available at www.azdor.gov
- Required information is designated with an asterisk (*).
- Return completed application AND applicable license fee(s) to address shown at left.
- For licensing questions regarding transaction privilege tax, call Customer Care and Outreach: (602) 255-3381

You can register, file and pay for this application online at www.AZTaxes.gov. It is fast and secure.

SECTION A: Business Information

1* Federal Employer Identification Number or Social Security Number, <i>required if sole proprietor with no employees</i>		2* License Type – <i>Check all that apply:</i> <input type="checkbox"/> Transaction Privilege Tax (TPT) <input type="checkbox"/> Use Tax <input type="checkbox"/> Withholding/Unemployment Tax <i>(if hiring employees)</i> <input type="checkbox"/> TPT for Cities ONLY	
3* Type of Organization/Ownership – <i>Tax exempt organizations must attach a copy of the Internal Revenue Service's letter of determination.</i>			
<input type="checkbox"/> Individual/Sole Proprietorship <input type="checkbox"/> Corporation State of Inc. _____ Date of Inc. <u>MM, D, D, Y, Y, Y, Y</u>		<input type="checkbox"/> Subchapter S Corporation <input type="checkbox"/> Association <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Liability Company	
		<input type="checkbox"/> Government <input type="checkbox"/> Estate <input type="checkbox"/> Trust <input type="checkbox"/> Limited Liability Partnership	
4* Legal Business Name			
5* Mailing Address – number and street		City	State ZIP Code
County/Region		Country	
6* Business Phone No. <i>(with area code)</i>	7 Email Address	8 Fax Number <i>(with area code)</i>	
9* Description of Business: <i>Describe merchandise sold or taxable activity.</i>			
10* NAICS Codes: Available at www.azdor.gov			
11* Did you acquire or change the legal form of an existing business? <input type="checkbox"/> No <input type="checkbox"/> Yes → You must complete Section F.		12* Are you a construction contractor? <input type="checkbox"/> No <input type="checkbox"/> Yes <i>(see bonding requirements)</i>	
BONDING REQUIREMENTS: Prior to the issuance of a Transaction Privilege Tax license, new or out-of-state contractors are required to post a Taxpayer Bond for Contractors unless the contractor qualifies for an exemption from the bonding requirement. The primary type of contracting being performed determines the amount of bond to be posted. Bonds may also be required from applicants who are delinquent in paying Arizona taxes or have a history of delinquencies. Refer to the publication, Taxpayer Bonds, available online at www.azdor.gov or in Arizona Department of Revenue offices.			
WITHHOLDING LICENSE ONLY			
13* Withholding Physical Location Number and street <i>(Do not use PO Box, PMB or route numbers)</i>		City	State ZIP Code
County/Region		Country	

Continued on page 2 →

FOR AGENCY USE ONLY		
<input type="checkbox"/> New	ACCOUNT NUMBER	DLN
	START	TRANSACTION PRIVILEGE TAX
<input type="checkbox"/> Change	S/E DATE	WITHHOLDING / SSN / EIN
<input type="checkbox"/> Revise	COMPLETED DATE	EMPLOYEE'S NAME
<input type="checkbox"/> Reopen	LIABILITY	LIABILITY ESTABLISHED

CASHIER'S STAMP ONLY. DO NOT MARK IN THIS AREA.

Name (as shown on page 1)	FEIN or SSN (as shown on page 1)
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SECTION B: Identification of Owners, Partners, Corporate Officers Members/Managing Members or Officials of this Employing Unit

If you need more space, attach Additional Owner, Partner, Corporate Officer(s) form available at www.azdor.gov. If the owner, partners, corporate officers or combination of partners or corporate officers, members and/or managing members own more than 50% of or control another business in Arizona, attach a list of the businesses, percentages owned and unemployment insurance account numbers or provide a Power of Attorney (Form 285) which must be filled out and signed by an authorized corporate officer.

Owner 1	*Social Security No.	*Title	*Last Name	First Name	Middle Intl.
	*Street Address		*City	*State	* % Owned
	*ZIP Code	*County	*Phone Number (with area code)	*Country	
Owner 2	*Social Security No.	*Title	*Last Name	First Name	Middle Intl.
	*Street Address		*City	*State	* % Owned
	*ZIP Code	*County	*Phone Number (with area code)	*Country	
Owner 3	*Social Security No.	*Title	*Last Name	First Name	Middle Intl.
	*Street Address		*City	*State	* % Owned
	*ZIP Code	*County	*Phone Number (with area code)	*Country	

SECTION C: Transaction Privilege Tax (TPT)

1* Date Business Started in Arizona <i>M/M/D, D/Y, Y/Y</i>	2* Date Sales Began <i>M/M/D, D/Y, Y/Y</i>	3 What is your Estimated Tax Liability for your first twelve months of business?	
4 Filing Frequency <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Seasonal <input type="checkbox"/> Annual If seasonal filer, check the months for which you intend to do business: <input type="checkbox"/> JAN <input type="checkbox"/> FEB <input type="checkbox"/> MAR <input type="checkbox"/> APR <input type="checkbox"/> MAY <input type="checkbox"/> JUN <input type="checkbox"/> JUL <input type="checkbox"/> AUG <input type="checkbox"/> SEP <input type="checkbox"/> OCT <input type="checkbox"/> NOV <input type="checkbox"/> DEC			
5 Does your business sell tobacco products? <input type="checkbox"/> Yes → <input type="checkbox"/> Retailer OR <input type="checkbox"/> Distributor	6 TPT Filing Method <input type="checkbox"/> Cash Receipts <input type="checkbox"/> Accrual	7 Does your business sell new motor vehicle tires or vehicles? <input type="checkbox"/> Yes → You will have to file Motor Vehicle Tire Fee form available at www.azdor.gov	
8* Tax Records Physical Location – number and street <i>(Do not use PO Box, PMB or route numbers)</i>		City	State ZIP Code
County		Country	
9* Name of Contact		* Phone Number (with area code)	Extension

SECTION D: Transaction Privilege Tax (TPT) Physical Location

1* Business Name, "Doing Business As" or Trade Name at this Physical Location	2* Phone Number (with area code)
3* Physical Location of Business or Commercial/Residential Rental Number and street <i>(Do not use PO Box, PMB or route numbers)</i>	City State ZIP Code
County/Region	Country
Residential Rental Only – Number of Units	Reporting City <i>(if different than the physical location city)</i>
4* Additional County/Region Indian Reservation/City: County/Region Indian Reservation and City Codes available at www.azdor.gov	
County/Region	City
Business Codes (Include all codes that apply): See instructions. Complete list available at www.azdor.gov	
State/County	City

If you have more locations, attach Additional Business Locations form available at www.azdor.gov

Name (as shown on page 1)	FEIN or SSN (as shown on page 1)
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SECTION E: Withholding & Unemployment Tax Applicants

<p>1* Regarding THIS application, Date Employees First Hired in Arizona M, M/D, D, Y, Y, Y, Y</p>	<p>2 Are you liable for Federal Unemployment Tax? <input type="checkbox"/> Yes → First year of liability: Y, Y, Y, Y</p>												
<p>3 Are individuals performing services that are excluded from withholding or unemployment tax? <input type="checkbox"/> Yes → Describe services:</p>	<p>4 Do you have an IRS ruling that grants an exclusion from Federal Unemployment Tax? <input type="checkbox"/> Yes → Attach a copy of the Ruling Letter.</p>												
<p>5 Do you have, or have you previously had, an Arizona unemployment tax number? <input type="checkbox"/> No <input type="checkbox"/> Yes → Business Name: _____ Unemployment Tax Number: _____</p>													
<p>6 First calendar quarter Arizona employees were/will be hired and paid (indicate quarter as 1, 2, 3, 4):</p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:25%;">Hired Year</th> <th style="width:25%;">Hired Quarter</th> <th style="width:25%;">Paid Year</th> <th style="width:25%;">Paid Quarter</th> </tr> <tr> <td style="text-align: center;">Y, Y, Y, Y</td> <td style="text-align: center;">Q</td> <td style="text-align: center;">Y, Y, Y, Y</td> <td style="text-align: center;">Q</td> </tr> <tr> <td colspan="2"></td> <td style="text-align: center;">Year</td> <td style="text-align: center;">Quarter</td> </tr> </table>	Hired Year	Hired Quarter	Paid Year	Paid Quarter	Y, Y, Y, Y	Q	Y, Y, Y, Y	Q			Year	Quarter
Hired Year	Hired Quarter	Paid Year	Paid Quarter										
Y, Y, Y, Y	Q	Y, Y, Y, Y	Q										
		Year	Quarter										
<p>7 When did/will you first pay a total of \$1,500 or more gross wages in a calendar quarter? (indicate quarter as 1, 2, 3, 4) <small>Exceptions: \$20,000 gross cash wages Agricultural; \$1,000 gross cash wages Domestic/Household; not applicable to 501(c)(3) Non-Profit.</small></p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:25%;">Year</th> <th style="width:25%;">Quarter</th> </tr> <tr> <td style="text-align: center;">Y, Y, Y, Y</td> <td style="text-align: center;">Q</td> </tr> </table>	Year	Quarter	Y, Y, Y, Y	Q								
Year	Quarter												
Y, Y, Y, Y	Q												
<p>8 When did/will you first reach the 20th week of employing 1 or more individuals for some portion of a day in each of 20 different weeks in the same calendar year? (indicate quarter as 1, 2, 3, 4) <small>Exceptions: 10 or more individuals Agricultural; 4 or more individuals 501(c)(3) Non-Profit; not applicable to Domestic/Household.</small></p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:25%;">Year</th> <th style="width:25%;">Quarter</th> </tr> <tr> <td style="text-align: center;">Y, Y, Y, Y</td> <td style="text-align: center;">Q</td> </tr> </table>	Year	Quarter	Y, Y, Y, Y	Q								
Year	Quarter												
Y, Y, Y, Y	Q												

SECTION F: Acquired Business Information

If you answered "Yes" to Section A, question 11, you must complete Section F.

<p>1* Did you acquire or change all or part of an existing business? <input type="checkbox"/> All <input type="checkbox"/> Part</p>	<p>2* Date of Acquisition M, M/D, D, Y, Y, Y, Y</p>	<p>3* EIN of Business Under Previous Owner</p>
<p>4* Previous Owner's Telephone Number</p>	<p>5* Name of Business Under Previous Owner</p>	<p>6* Name of Previous Owner</p>
<p>7* Did you change the legal form of all or part of the Arizona operations of your existing business? (e.g., change from sole proprietor to corporation or etc.) <input type="checkbox"/> All <input type="checkbox"/> Part</p>	<p>8* Date of Change M, M/D, D, Y, Y, Y, Y</p>	<p>9* EIN of Previous Legal Form</p>

SECTION G: AZTaxes.gov Security Administrator

Visit www.AZTaxes.gov (the Arizona Department of Revenue's online customer service center) to register for online services. The authorized individual will have full online access to transaction privilege, use, withholding and corporate tax account information and services. The authorized individual will be able to add or delete users and grant user privileges. Online services include viewing tax account information, filing tax returns, signing returns electronically with a Self-Select Personal Identification Number (PIN) and remitting tax payments.

SECTION H: Required Signatures

This application must be signed by either a sole owner, at least two partners, managing member or corporate officer legally responsible for the business, trustee or receiver or representative of an estate that has been listed in Section B.

<p>1 Print or Type Name</p>	<p>2 Print or Type Name</p>
<p>Title</p>	<p>Title</p>
<p>Date</p>	<p>Date</p>
<p>Signature</p>	<p>Signature</p>

This application must be completed, signed, and returned as provided by A.R.S. § 23-722.

Equal Opportunity Employer/Program
This application is available in alternative formats at Unemployment Insurance Tax Office.

PLEASE COMPLETE SECTION I: STATE/COUNTY & CITY LICENSE FEE WORKSHEET TO CALCULATE AND REMIT TOTAL AMOUNT DUE WITH THIS APPLICATION.

Name (as shown on page 1)	FEIN or SSN (as shown on page 1)
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SECTION I: State/County & City License Fee Worksheet

ALL FEES ARE SUBJECT TO CHANGE. Check for updates at www.azdor.gov.

To calculate **CITY FEE**: Multiply **No. of Locations** by the **License Fee** and enter sum in **License Subtotal**.

City/Town	Code	No. of Loc's	License Fee	License Subtotal	City/Town	Code	No. of Loc's	License Fee	License Subtotal	City/Town	Code	No. of Loc's	License Fee	License Subtotal
Apache Junction	AJ		\$2.00		Goodyear	GY		\$5.00		Sahuarita	SA		\$5.00	
Avondale	AV		\$0.00		Guadalupe	GU		\$2.00		San Luis	SU		\$2.00	
Benson	BS		\$5.00		Hayden	HY		\$5.00		Scottsdale	SC		\$50.00	
Bisbee	BB		\$1.00		Holbrook	HB		\$1.00		Sedona	SE		\$2.00	
Buckeye	BE		\$2.00		Huachuca City	HC		\$2.00		Show Low	SL		\$2.00	
Bullhead City	BH		\$2.00		Jerome	JO		\$2.00		Sierra Vista	SR		\$1.00	
Camp Verde	CE		\$2.00		Kearny	KN		\$2.00		Snowflake	SN		\$2.00	
Carefree	CA		\$10.00		Kingman	KM		\$2.00		Somerton	SO		\$2.00	
Casa Grande	CG		\$2.00		Lake Havasu	LH		\$5.00		South Tucson	ST		\$2.00	
Cave Creek	CK		\$20.00		Litchfield Park	LP		\$2.00		Springerville	SV		\$5.00	
Chandler	CH		\$2.00		Mammoth	MH		\$2.00		St. Johns	SJ		\$2.00	
Chino Valley	CV		\$2.00		Marana	MA		\$5.00		Star Valley	SY		\$2.00	
Clarkdale	CD		\$2.00		Maricopa	MP		\$2.00		Superior	SI		\$2.00	
Clifton	CF		\$2.00		Mesa	ME		\$20.00		Surprise	SP		\$10.00	
Colorado City	CC		\$2.00		Miami	MM		\$2.00		Taylor	TL		\$2.00	
Coolidge	CL		\$2.00		Nogales	NO		\$0.00		Tempe	TE		\$50.00	
Cottonwood	CW		\$2.00		Oro Valley	OR		\$12.00		Thatcher	TC		\$2.00	
Dewey/Humboldt	DH		\$2.00		Page	PG		\$2.00		Tolleson	TN		\$2.00	
Douglas	DL		\$5.00		Paradise Valley	PV		\$2.00		Tombstone	TS		\$1.00	
Duncan	DC		\$2.00		Parker	PK		\$2.00		Tucson	TU		\$20.00	
Eagar	EG		\$10.00		Patagonia	PA		\$0.00		Tusayan	TY		\$2.00	
El Mirage	EM		\$15.00		Payson	PS		\$2.00		Wellton	WT		\$2.00	
Eloy	EL		\$10.00		Peoria	PE		\$50.00		Wickenburg	WB		\$2.00	
Flagstaff	FS		\$20.00		Phoenix**	PX		\$50.00		Willcox	WC		\$1.00	
Florence	FL		\$2.00		Pima	PM		\$2.00		Williams	WL		\$2.00	
Fountain Hills	FH		\$2.00		Pinetop/Lakeside	PP		\$2.00		Winkelman	WM		\$2.00	
Fredonia	FD		\$10.00		Prescott	PR		\$5.00		Winslow	WS		\$10.00	
Gila Bend	GI		\$2.00		Prescott Valley	PL		\$2.00		Youngtown	YT		\$10.00	
Gilbert	GB		\$2.00		Quartzsite	QZ		\$2.00		Yuma	YM		\$2.00	
Glendale	GE		\$35.00		Queen Creek	QC		\$2.00						
Globe	GL		\$2.00		Safford	SF		\$2.00						

Subtotal City License Fees (column 1) \$	Subtotal City License Fees (column 2) \$	Subtotal City License Fees (column 3) \$
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AA TOTAL City License Fee(s) (column 1 + 2 + 3) \$

	No. of Loc's	Fee per Location	TOTAL
BB TOTAL State License Fee(s): Calculate by multiplying number of business locations by \$12.00		\$12.00	\$

Residential Rental License Fees - Only Chandler, Phoenix, and Scottsdale Multiply the number of units per locations by \$2.00 (\$50.00 Annual Cap per license).	No. of Units	No. of Loc's	City Fee
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ONLY CHANDLER, PHOENIX, and SCOTTSDALE should use this section.
DO NOT use the fee chart above to calculate license fees.
 The amount for each city **CANNOT EXCEED \$50.00**

Residential Rental License-Chandler			\$
Residential Rental License-Phoenix			\$
Residential Rental License-Scottsdale			\$

CC TOTAL City Residential Rental License Fees (Add Chandler, Phoenix, & Scottsdale) \$

DD TOTAL DUE (Add lines AA + BB + CC) \$

- Make check payable to Arizona Department of Revenue.
 - Do not send cash.
 - Include FEIN or SSN on payment.
 - License will not be issued without full payment of fee(s).
- **If your only business is under Class 213, Commercial Lease, there is no license fee due.



ARIZONA DEPARTMENT OF REVENUE
GENERAL INSTRUCTIONS FOR ARIZONA JOINT TAX APPLICATION (JT-1)

Online Application

Go to www.AZTaxes.gov

Notice for Construction Contractors: Due to bonding requirements, construction contractors are not permitted to license for transaction privilege tax online. For more information, please contact us.

Mailing Address

Arizona Department of Revenue
PO Box 29032
Phoenix, AZ 85038-9032

**Customer Service
Center Locations**

8:00 a.m. - 5:00 p.m.
Monday through Friday
(except Arizona holidays)

Phoenix Office

1600 W Monroe
Phoenix, AZ 85007

Tucson Office

400 W Congress
Tucson, AZ 85701

7:00 a.m. - 6:00 p.m.
Monday through Thursday
8:00 a.m. - 12:00 p.m.
Friday
(except Arizona holidays)

Mesa Office

55 N Center
Mesa, AZ 85201

(This office does not handle billing or account disputes.)

**Customer Service
Telephone Numbers**

Licensing for TPT, Withholding or Use Tax
(Arizona Department of Revenue)
(602) 255-3381

Unemployment Tax
(Arizona Department of
Economic Security)
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The Arizona Joint Tax Application (JT-1) is used to apply for Transaction Privilege Tax, Use Tax, and Employer Withholding and Unemployment Insurance. The Application is called "Joint" because it is used by both the Department of Revenue and Economic Security.

USE THIS APPLICATION TO:

- **License New Business:** If you are selling a product or engaging in a service subject to transaction privilege tax, you will most likely need to obtain the state transaction privilege tax license (TPT) license.
- **Change Ownership:** If acquiring or succeeding to all or part of an existing business or changing the legal form of your business (sole proprietorship to corporation, etc.).

IMPORTANT: To avoid delays in processing of your application, we recommend you read these instructions and refer to them as needed to ensure you have accurately entered all the required information. **This application must be completed, signed, and returned as provided by A.R.S. § 23-722.**

- Please read form instructions while completing the application. Additional information and forms are available at www.azdor.gov.
- Required information is designated with an asterisk (*).
- Please complete Section I: State/County & City License Fee Worksheet to calculate and remit **Total Amount Due** with this application.

When completing this form, please **print or type in black ink**. Legible applications are required for accurate processing. The following numbered instructions correspond to the numbers on the Form JT-1.

If you need to update a license, add a business location, get a copy of your license, or make other changes: Complete a Business Account Update form and include a State fee of \$12 per location and any applicable fees related to locations within the City/Town jurisdictions. Additional information and forms are available at www.azdor.gov.

Section A: BUSINESS INFORMATION

1. Provide your **Federal Employer Identification No.** (FEIN) or Social Security No. (SSN) if you are a sole proprietor without employees. Taxpayers are required to provide their taxpayer identification number (TIN) on all returns and documents. A TIN is defined as the federal employer identification number (EIN) or SSN, depending upon how income tax is reported. The EIN is required for all employers. A penalty of \$5 will be assessed by the Department of Revenue for each document filed without a TIN.

2. **License Type (Check all that apply):**

Transaction Privilege Tax (TPT): Anyone engaged in a business taxable under the TPT statutes must apply for a TPT License before engaging in business. For TPT, you are required to obtain and display a separate license certificate for each business or rental location. This may be accomplished in one of the following ways:

- Each location may be licensed as a separate business with a separate license number for purposes of reporting transaction privilege and use taxes individually. Therefore, a separate application is needed for each location.
- Multiple locations may be licensed under a consolidated license number, provided the ownership is the same, to allow filing of a single tax return. If applying for a new license, list the various business locations as instructed below. If already licensed and you are adding locations, **do not use this application to consolidate an existing license. Please submit a Business Account Update form, available at www.azdor.gov.**

Withholding & Unemployment Taxes: Employers paying wages or salaries to employees for services performed in the State must apply for a Withholding number & Unemployment number.

Use Tax: Out-of-state vendors (that is, vendors with no Arizona location) making direct sales into Arizona must obtain a Use Tax Registration Certificate. In-state business not required to be licensed in Arizona for TPT purposes, making out-of state purchases for their own use (and not for resale) must also obtain the Use Tax registration.

TPT for cities only: This type of license is needed if your business activity is subject to city TPT which is collected by the state, but the activity is not taxed at the state level.

3. **Type of Organization/Ownership:** Check as applicable. A corporation must provide the state and date of incorporation.
4. Provide the **Legal Business Name** or owner or corporation as listed in its articles of incorporation, or individual and spouse, or partners, or organization owning or controlling the business.
5. Provide the **Mailing Address** (number and street) where all correspondence is to be sent. You may use your

home address, corporate headquarters, or accounting firm's address, etc. If mailing address differs for licenses (for instance withholding and unemployment insurance), please send a cover letter with completed application to explain.

6. Provide the **Business Phone Number** including the area code.
7. Provide the **Email Address** for the business or contact person.
8. Provide the **Business Fax Number** including the area code.
9. Provide the **Description of Business** by describing the major taxable business activity, principle product you manufacture, commodity sold, or services performed. Your description of business is very important and **MUST** link to the appropriate **NAICS Code** and **Business Code**.
10. Provide all **North American Industries Classification System (NAICS) Code(s)** that apply. The NAICS is identified for your business, based on your major business activity, principle product you manufacture, commodity sold, or services performed. You must indicate at least one NAICS code. A current listing is available at www.azdor.gov.
11. If you acquired or changed the legal name of an existing business, you must complete Section F of this application. If you check NO, proceed to number 12.
12. If you are a construction contractor, read bonding requirements and submit the appropriate bonding paperwork with this application. If you check NO, proceed to number 13.
13. Provide the **Withholding Physical Location** of the business. This address cannot be a PO Box or Route Number.

Section B: IDENTIFICATION OF OWNERS, PARTNERS, CORPORATE OFFICERS, MEMBERS/ MANAGING MEMBERS OR OFFICIALS OF THIS EMPLOYING UNIT

Provide the full name, social security number and title of all Owners, Partners, Corporate Officers, Members/ Managing Members or Officials of the Employing Unit. If you need additional space, attach Additional Owners, Partners, Corporate Officer(s) Addendum available at www.azdor.gov. If the owner, partners, corporate officers or combination of partners or corporate officers, members and/ or managing members own more than 50% of, or control another business in Arizona, attach a list of the businesses, percentages owned and unemployment insurance account numbers or provide a General Disclosure/ Power of Attorney (Form 285) which must be filled out and signed by an authorized corporate officer.

Section C: TRANSACTION PRIVILEGE TAX (TPT)

1. Provide the **Date Business Started** in Arizona.
2. Provide the **Date Sales Began** in Arizona or estimate when you plan to begin selling in Arizona.
3. **Tax Liability:** Provide the amount of gross income you can reasonably expect to generate in your first twelve months of business. You will be set up for monthly filing unless your Estimated Tax Liability will result in a tax liability of less than \$8,000, which will require you to file quarterly.
4. Based on your tax liability, provide your filing frequency. If your total estimated annual combined Arizona, county and municipal TPT liability is:
 - Less than \$2,000, you may file and pay **annually**.
 - Between \$2,000 and \$8,000, you may file and pay **quarterly**.
 - Otherwise, your transaction privilege taxes are due **monthly**.
 If your business is **Seasonal** or you are a transient **vendor**, indicate the months in which you intend to do business in Arizona.
5. Indicate whether your business sells **tobacco products**. If you checked yes, check the box to indicate if you are a retailer or distributor of tobacco products.
6. **TPT Filing Method:** Check which filing method your business uses for determining tax liability. Cash basis requires the payment of tax based on sales receipts actually received during the period covered on the tax return. When filing under the accrual basis the tax is calculated on the sales billed rather than actual receipts.
7. If you sell new **Motor Vehicle Tires or Vehicles**, you must file the Motor Vehicle Waste Tire Fee form (TR-1) available at www.azdor.gov. Sellers of new motor vehicles and motor vehicle tires in the state, for on-road use, are required to report and pay a waste tire fee to the Department of Revenue.
8. through 9. **Tax Records Physical Location** indicate the physical address where your tax records are located. Include the contact person's name and phone number.

**Section D: TRANSACTION PRIVILEGE TAX (TPT)
PHYSICAL LOCATION**

1. Provide the Business Name, "**Doing Business As**" (**DBA**). DBA is the name of a business other than the owner's name or, in the case of a corporation, a name that is different from the legal or true corporate name. If it is the same as the **Legal Business Name** enter "same".
2. Provide the **Business Phone Number** including the area code.
3. Provide the **Physical Location** of the business. This address cannot be a PO Box or Route Number. Provide:
 - County/Region
 - Residential Rentals ONLY - Number of Units
 - Reporting City, if different from the **Physical Location** city. For example, if the location for the listed address

is listed in an adjacent city, such as Scottsdale, but the location of the business is actually within the city of Phoenix. See "TPT Rate Look Up" on www.AZTaxes.gov.

4. Provide if your business is located on an Indian Reservation; provide the **Additional County/Region Indian Reservation Code(s)**. A current listing is available at www.azdor.gov.

Provide the **Business Code(s)** including all State and City Business Code(s) that apply; based on your major business activity, principle product you manufacture, commodity sold, or services performed. You must indicate at least one business code. A current listing is available at www.azdor.gov.

If you have more locations, attach Additional Business Locations form available at www.azdor.gov.

Section E: WITHHOLDING & UNEMPLOYMENT TAX APPLICANTS

1. Provide the **Date Employees First Hired** in Arizona.
2. If you are liable for Federal Unemployment Tax, check YES and enter the first year of liability.
3. If individuals in your business are performing services that are excluded from withholding or unemployment tax, check YES and describe the services these individuals are performing.
4. If your business has an IRS ruling that grants an exclusion from Federal Unemployment Tax, check YES and you must attach a copy of the Ruling Letter to this application.
5. If you have, or previously had an Arizona unemployment tax number, check YES and provide the business name you used and the unemployment number.
6. Provide the first calendar quarter Arizona employees were or will be hired and paid.
7. When do you anticipate or did you first pay a total of \$1,500 or more in gross wages in a calendar quarter? Indicate the year and quarter in which this occurred or will occur.
8. When do you anticipate or did you first reach the 20th week of employing 1 or more individuals for a full or partial day within the same calendar year? Indicate the year and quarter in which this occurred or will occur.

Section F: ACQUIRED BUSINESS INFORMATION

1. Did you acquire or change all or part of an existing business? If part, to obtain an unemployment tax rate based on the business's previous account, you must request it no later than 180 days after the date of acquisition or legal form of business change; contact the Unemployment Tax Office Experience Rating Unit for an Application & Agreement for Severable Portion Experience Rating Transfer (form UC-247; printable version available online at www.azui.com).

2. Provide the date you acquired the previous owner's business or changed the legal form of your existing business (sole proprietor to corporate, etc.).
3. through 6. Complete as indicated if you know the previous owner's information.
7. through 9. If you merely changed the legal form of your existing business, indicate whether or not you changed all or part of the business, the date of change and EIN of previous Legal Form of Business.

Section G: AZTAXES.GOV SECURITY ADMINISTRATOR

Visit www.AZTaxes.gov (the Arizona Department of Revenue's online customer service center) to register for online services. The authorized individual will have full online access to transaction privilege, use, withholding and corporate tax account information and services. The authorized individual will be able to add or delete users and grant user privileges. Online services include viewing tax account information, filing tax returns, signing returns electronically with a Self-Select Personal Identification Number (PIN) and remitting tax payments.

Section H: REQUIRED SIGNATURES

This application must be signed only by either a sole owner, at least two partners, managing member or corporate officer legally responsible for the business. This application CANNOT be signed by agents or representatives.

Section I: STATE/COUNTY & CITY LICENSE FEE WORKSHEET

There are no fees for Withholding/Unemployment Insurance, or Use Tax registrations. State license fees are calculated per business location. To calculate the city license fees, use the listing of cities on page 4, Section I of this application. City fees are subject to change. Check for updates at www.azdor.gov.

- AA: TOTAL City License Fees – To calculate the city fees, multiply No. of Locations in the city by the license fee and enter sum in Subtotal City License Fees. Then calculate and enter the sum of columns 1 + 2 + 3. If you have a location in Phoenix and the business is only under Class 213, Commercial Lease, there is no license fee due.
- BB: TOTAL State License Fees – To calculate the state fees, multiply the No. of locations in the state by \$12.
- CC: TOTAL City Residential Rental License Fee – USE THIS SECTION FOR CHANDLER, PHOENIX AND SCOTTSDALE ONLY. These cities WILL NOT use the larger fee chart. To calculate Residential Rental license fee, multiple the No. of units by the No. of locations by \$2.00 (\$50.00 Annual Cap per license). The amount for each city CANNOT EXCEED \$50.00.
- DD: TOTAL DUE – Add lines AA + BB + CC.

Please send your payment for this amount. Failure to include your payment with this application will result in a delay in processing your license. Licenses are not issued until all fees have been paid.

Make checks payable to the Arizona Department of Revenue. Be sure to return all pages of the application with your payment. Retain a copy of the application for your records.

- DO NOT SEND CASH
- Include your EIN or SSN on payment