



Overview

The Arizona sales tax is known as [Transaction privilege tax \(TPT\)](#). TPT is a tax on a vendor for the privilege of doing business in the state of Arizona. If your business sells products or provides services subject to TPT, you are responsible for paying the taxes on your applicable gross receipts. Authorization to do business and be able to pay the tax, requires a license administered by the [Arizona Department of Revenue \(ADOR\)](#). ADOR collects the tax for the counties and cities. Tax rates vary depending on the type of business activity, the city, and the county.

The tax payments required by TPT may be passed on to your customer. An [Arizona Resale Certificate, Form 5000A](#), must be provided to your vendors which allows them to defer the responsibility of the sales tax to your business. It is now your responsibility to manage the sales taxes and remain in compliance with state and local laws. Not staying in compliance may lead to penalties and interest charges.

For further guidance, refer to ADOR for [TPT Tutorials](#), [TPT Notices and Correspondence Resource Center](#), and [TPT Forms](#).

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Economic Nexus

In Latin, *nexus* means "to bind or tie." Nexus describes the connection a business has to Arizona. It decides whether the state has the authority to require your business to file and pay TPT.

[Arizona nexus](#) is triggered when your business has a physical presence in the state or a *virtual* connection to the state such as out-of-state sellers.

Register for a TPT License

To register for a license, go to [AZTaxes.gov](#). Select *Login to AZTaxes*.

The screenshot shows the AZTaxes.gov website interface. At the top, there are logos for 'IRS e-file' and 'ARIZONA OPENBOOKS OpenBooks.az.gov'. Below these, the page is organized into four columns of links:

- Quick Payment Links**
 - Make an Individual/Small Business Income Payment
 - Make a Corporation/S-Corporation/Partnership Payment
 - Make a Transaction Privilege/Use Tax Payment
- Helpful Links**
 - IRS: Register for a New EIN
 - DES - File Unemployment Tax Return
 - ACA: COVID-19 Arizona Business Resources
 - IRS: People First Initiative
- Individuals**
 - Where's My Refund?
 - Cancel a Payment
 - Request a Payment Plan
 - File Individual Income Tax
 - View My 1099-G
- Corporation/S-Corporation/Partnerships**
 - Cancel a Payment
- Payroll Service Companies**
 - Bulk File & Pay WTH Returns
- Businesses**
 - Enroll to File and Pay Online
 - Verify a Transaction Privilege License
 - View City/Town Tax Rate Changes
 - Application to Certify Your Individual-Owned Shared Vehicle for Peer-to-Peer Car Sharing
 - Transaction Privilege and Use Tax Due Date Calendar
 - Withholding Tax Due Date Calendar
- Resources**
 - Completing the TPT-2 in AZTaxes
 - Publications
 - Arizona Licensing Guide
 - Business Tax Description Codes
 - Frequently Asked Questions
 - AZ Tax Rate Look Up
 - Tutorials / YouTube
 - Vehicle Use Tax Calculator

A button labeled 'Login to AZTaxes' with a right-pointing arrow is highlighted with a purple border in the bottom right corner of the screenshot.



On the Business User Login page, select *New User Enrollment*.

The welcome page displays information regarding your registration. Select Continue to begin your registration.

ADOR will require information about your business (including but not limited to):

- Business name, address, and contact information
- Federal EIN number
- Date business activities began or will begin
- Projected monthly sales
- Projected monthly taxable sales
- Products to be sold

File and Pay your Liability

Remember that TPT is a two-step process. You must first file a return to notify ADOR of the current period's tax liability and then you must pay the liability.

Follow the [step-by-step instructions](#) provided by ADOR.

ADOR allows individuals to file paper returns if their annual tax liability is \$500 or less. ADOR strongly encourage all taxpayers to file and pay using the [online tax system](#) for fast and efficient processing.

[ADOR assigns filing frequencies](#) determined by the amount of a business' total estimated annual combined Arizona, county and municipal TPT liability.

- 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
- Seasonal
 - 8 months or less

If you have no TPT due for the filing period, you must still file a return. When filing through *AZTaxes.gov*, select "No Gross Receipt to Report."

ADOR provides the [filing due dates](#) for all filing frequencies.