

## Next Phase in Electronic Filing and Paying Goes into Effect Jan. 1, 2021

Beginning January 1, 2021, the transaction privilege tax electronic (TPT) filing and paying threshold lowers to \$500.

Under legislation enacted in 2017, businesses with an annual TPT and/or use tax liability of \$500 or more during the prior calendar year will be required to file and pay electronically starting in February 2021 for the January reporting period.

E-filing and paying are more secure and faster for taxpayers and critical for ADOR to deliver a more results-driven, customer-focused management system.

Taxpayers also save money through e-filing by becoming eligible to receive an [enhanced accounting credit](#). Taxpayers filing TPT electronically during a calendar year are able to claim an accounting credit of 1.2 percent of the state tax due, with the total calendar year credit limit of \$12,000.

### Is there a penalty for not filing and paying electronically?

Penalty for not filing and paying TPT electronically:

- Penalty of 5% of the tax amount due for filing a paper return. The minimum penalty is \$25, including filings with zero liability.
- Penalty of 5% of the amount of payment made by check or cash.
- Penalty of 4.5% of the tax required to be shown on the return for each month or fraction of a month the return is late. There is a minimum of \$25 and a maximum 25% of the tax due or \$100, per return, whichever is greater.

If the business' estimated annual combined Arizona, county, and municipal TPT liability is less than \$2,000, consider adjusting the [filing frequency](#) to annually. If the change to annual filing is made in 2020, the change will occur for the 2021 filing period. This reduces the possibility of delinquent returns and payments by decreasing the filing occurrences.

To file and pay online, a business must be registered on [www.AZTaxes.gov](http://www.AZTaxes.gov) and use Automated Clearance House (ACH) Debit, e-check, or credit card as a payment method to comply with electronic funds transfer payment requirements.

For more information on e-services for businesses in Arizona, go to <https://azdor.gov/e-services/e-services-businesses-arizona>.

### City Services

Candy, Gail, Iris, Janie, Jess, Josephine, Kimberly, Shenea & Tracy  
Arizona Department of Revenue

Email: [citiesunit@azdor.gov](mailto:citiesunit@azdor.gov)

**\*\*We are only able to respond to your request via email\*\***

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