House Engrossed

FILED

JANICE K. BREWER
SECRETARY OF STATE

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

CHAPTER 21

HOUSE BILL 2106

AN ACT

AMENDING SECTION 42-5014, ARIZONA REVISED STATUTES; RELATING TO TRANSACTION PRIVILEGE TAX PAYMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 42-5014, Arizona Revised Statutes, is amended to read:

42-5014. Return and payment of tax; estimated tax; extensions; abatements

A. Except as provided in subsection B, C or D of this section, the taxes levied under this article:

1. Are due and payable monthly in the form required by section 42-5018 for the amount of the tax, to the department, on or before the twentieth day of the month next succeeding the month in which the tax accrues.

2. Are delinquent as follows:

(a) For taxpayers electing to file by mail, if not postmarked on or before the twenty-fifth day of that month or if not received by the department on or before the business day preceding the last business day of the month.

(b) FOR TAXPAYERS ELECTING TO FILE AND PAY ELECTRONICALLY IN ANY MONTH, IF NOT RECEIVED BY THE DEPARTMENT ON OR BEFORE THE LAST BUSINESS DAY OF THE MONTH.

~~(b)~~ (c) For all other taxpayers, if not received by the department on or before the business day preceding the last business day of the month.

B. The department, for any taxpayer whose estimated annual liability for taxes imposed by this article is between five hundred dollars and one thousand two hundred fifty dollars, may authorize such taxpayer to pay such taxes on a quarterly basis. The department, for any taxpayer whose estimated annual liability for taxes imposed by this article is five hundred dollars or less, may authorize such taxpayer to pay such taxes on an annual basis.

C. The department may require a taxpayer whose business is of a transient character to file the return and remit the taxes imposed by this article on a daily, a weekly or a transaction by transaction basis, and those returns and payments are due and payable on the date fixed by the department without a grace period otherwise allowed by this section. For the purposes of this subsection, "business of a transient character" means sales activity by a taxpayer not regularly engaged in selling within the state conducted from vehicles, portable stands, rented spaces, structures or booths, or concessions at fairs, carnivals, circuses, festivals or similar activities for not more than thirty consecutive days.

D. If the business entity under which a taxpayer reports and pays income tax under title 43 has an annual total tax liability under this article, article 6 of this chapter and chapter 6, article 3 of this title of one million dollars or more, based on the actual tax liability in the preceding calendar year, regardless of the number of offices at which the taxes imposed by this article, article 6 of this chapter or chapter 6, article 3 of this title are collected, or if the taxpayer can reasonably anticipate such liability in the current year, the taxpayer shall report on a form prescribed by the department and pay an estimated tax payment each June.

Any other taxpayer may voluntarily elect to pay the estimated tax payment pursuant to this subsection. The payment shall be made on or before June 20 and is delinquent if not postmarked on or before that date or if not received by the department on or before the business day preceding the last business day of June for those taxpayers electing to file by mail, or delinquent if not received by the department on the business day preceding the last business day of June for those taxpayers electing to file in person. The estimated tax paid shall be credited against the taxpayer's tax liability under this article, article 6 of this chapter and chapter 6, article 3 of this title for the month of June for the current calendar year. The estimated tax payment shall equal either:

1. One-half of the actual tax liability under this article plus one-half of any tax liability under article 6 of this chapter and chapter 6, article 3 of this title for May of the current calendar year.

2. The actual tax liability under this article plus any tax liability under article 6 of this chapter and chapter 6, article 3 of this title for the first fifteen days of June of the current calendar year.

E. The taxpayer shall prepare a return showing the amount of the tax for which the taxpayer is liable for the preceding month, and shall mail or deliver the return to the department in the same manner and time as prescribed for the payment of taxes in subsection A of this section. If the taxpayer fails to file the return in the manner and time as prescribed for the payment of taxes in subsection A of this section, the amount of the tax required to be shown on the return is subject to the penalty imposed pursuant to section 42-1125, subsection A, without any reduction for taxes paid on or before the due date of the return. The return shall be verified by the oath of the taxpayer or an authorized agent or as prescribed by the department pursuant to section 42-1105, subsection B.

F. Any person who is taxable under this article and who makes cash and credit sales shall report such cash and credit sales separately and upon making application may obtain from the department an extension of time for payment of taxes due on the credit sales. The extension shall be granted by the department under such rules as the department prescribes. When the extension is granted, the taxpayer shall thereafter include in each monthly report all collections made on such credit sales during the month next preceding and shall pay the taxes due at the time of filing such report.

G. The returns required under this article shall be made upon forms prescribed by the department.

H. The department, for good cause, may extend the time for making any return required by this article and may grant such reasonable additional time within which to make the return as it deems proper, but the time for filing the return shall not be extended beyond the first day of the third month next succeeding the regular due date of the return.

I. The department, with the approval of the attorney general, may abate small tax balances if the administration costs exceed the amount of tax due.

J. For the purposes of subsection D of this section, "taxpayer" means the business entity under which the business reports and pays state income taxes regardless of the number of offices at which the taxes imposed by this article, article 6 of this chapter or chapter 6, article 3 of this title are collected.

Sec. 2. Effective date

This act is effective on January 1, 2009.

APPROVED BY THE GOVERNOR APRIL 11, 2008.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 11, 2008.