

# Arizona sales tax guide

## Standard rate

The standard rate in Arizona for sales tax for 2024 is 5.6-11.2%.

## Reduced rate

There is no reduced rate for sales tax in Arizona.

## Sales of tax-free products and services

There are no specific tax-free products and services listed in Arizona.

## Who is obliged to register sales tax

When you sell in Arizona to Arizona purchasers, you need to be registered for [sales tax registration](#) in Arizona to collect and pay sales tax.

## Threshold

Starting October 1, 2019, remote dealers with sufficient physical or economic presence for establishing nexus in Arizona need to be [registered to collect and pay sales tax](#) in Arizona. This includes online sellers or remote sellers that have \$100,000 in annual Arizona gross sales.

[Merchant thresholds by state](#)

[Marketplace thresholds by state](#)

The special rules apply to the SAAS business.

[Software as Service Tax Thresholds by state.](#)

## **Online Marketplaces**

If all your sales in Arizona come from online marketplaces, in this case, you can't register for paying sales tax in Arizona. Your marketplace promoter pays the sales tax itself.

If a Marketplace facilitator has a physical presence in Arizona, then it must obtain a TPT(transaction privilege tax) license regardless of the sales amount.

If the Marketplace facilitator is located outside of the state, then it will need to obtain a TPT license only if it meets the threshold requirements for sales to customers from Arizona.

For Marketplace facilitators, the threshold is the same as for remote sellers \$100,000.

## **Sales tax payment and filing date**

Depending on your tax liability, determine your filing frequency – either annual monthly or quarterly:

Annual – \$0 to \$2,000;

Quarterly – \$2,000 to 8,000;

Monthly – \$8,000 and up.

Sales tax returns are always due on the 20th day of the month following the broadcasting period. If the filing due date falls on a weekend or holiday, sales tax is due the next day. Quarterly filing periods end on the last days of January, April, July, and October.

## **Penalty and interest**

Taxpayers who missed filing an electronic return will be subject to a fine of 5 percent of the tax amount due for filing a paper return. The minimum penalty is \$25, including filings with zero obligation.

Taxpayers required to pay electronically will be subject to a penalty of 5% of a load of payment made by check or cash.

Taxpayers who file their tax return late will be subject to a late file penalty of 4.5% of the tax required to be shown on the return for each month, or a fraction of a month if the return is late. There is a minimum of \$25 and a maximum of 25% of the tax due or \$100, per return, whichever is bigger.

## **Exemption**

For certain business positions, transactions are not subject to TPT. The department has created exemption certificates to document non-taxable transactions. This establishes a ground for state and city tax deductions or exemptions. It is to be filled out fully by the purchaser and furnished to the vendor at the time of the sale.



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