

**CITY CLERK
ORIGINAL**

C-10091
06/23/15

**INTERGOVERNMENTAL AGREEMENT BETWEEN
THE STATE OF ARIZONA AND
THE CITY/TOWN OF GLENDALE**

THIS AGREEMENT is entered into this 23rd day of June, 2015, by and between the Arizona Department of Revenue, hereinafter referred to as Department, and the City/Town of Glendale, an Arizona municipal corporation, hereinafter referred to as City/Town. This Agreement shall supersede and replace all previous intergovernmental agreements, including amendments thereto, entered into by the Department and City/Town regarding the administration, collection, audit and/or licensing of transaction privilege tax, use tax, severance tax, jet fuel excise and use taxes and rental occupancy taxes imposed by the State, cities or towns.

RECITALS

WHEREAS, Title 11, Chapter 7, Article 3 (A.R.S. § 11-952) authorizes two or more public agencies to enter into intergovernmental agreements to contract for services, if authorized by their legislative or governing bodies.

WHEREAS, A.R.S. § 42-6001 et seq. was amended effective January 1, 2015 to provide that the Department shall collect and administer any transaction privilege and affiliated excise taxes imposed by any city or town in Arizona and that the Department and each city or town shall enter into an intergovernmental contract or agreement pursuant to A.R.S. § 11-952 to provide a uniform method of administration, collection, audit and licensing of transaction privilege and affiliated excise taxes imposed by the State, cities or towns.

WHEREAS, City/Town has taken appropriate action by ordinance, resolution or otherwise, pursuant to the laws applicable to the governing body of City/Town, to approve and authorize City/Town to enter into this Agreement.

A G R E E M E N T

NOW, THEREFORE, in consideration of the foregoing, the Department and City/Town enter into this intergovernmental agreement as follows:

1. Definitions

- 1.1 **A.R.S.** means the Arizona Revised Statutes.
- 1.2 **Adoption of an Ordinance** means final approval by majority vote of the City/Town council.
- 1.3 **Audit** means a review to determine the correct amount of tax owed by a taxpayer and includes, but is not limited to, desk reviews and reviews of claims for refund.
- 1.4 **Closing Agreement** means an agreement to compromise or settle a tax liability.

- 1.5 Confidential Information** means all such information as defined in A.R.S. § 42-2001.
- 1.6 Confidentiality Standards** means the standards set forth in Appendix A or such other written standards mutually agreed to by the Department and City/Town.
- 1.7 Federal Tax Information** means federal return or return information the Department receives from the Internal Revenue Service including any information created by the Department derived from that information. Documents obtained from a taxpayer or State records are not considered Federal Tax Information.
- 1.8 Model City Tax Code** means the document defined in A.R.S. § 42-6051. The official copy of the Model City Tax Code is published at modelcitytaxcode.az.gov.
- 1.9 Modification** means a change to an assessment required or authorized by statute.
- 1.10 Municipal Tax(es)** means transaction privilege and affiliated excise taxes, including use tax, severance tax, jet fuel excise and use tax, and rental occupancy tax, imposed by City/Town in accordance with the Model City Tax Code. Unless the context provides otherwise, this definition includes tax, license fees, penalties, interest and other similar charges.
- 1.11 State** means the State of Arizona.
- 1.12 State and Local Uniformity Group** (“SLUG”) means an advisory group comprised of four representatives from municipal taxing jurisdictions and four representatives of the Department as set forth in Section 13 below.
- 1.13 Taxpayer Information** means information protected from disclosure pursuant to Model City Tax Code § 510.

2. Disclosure of Information by City/Town to Department

- 2.1 Qualified Recipients of Information:** The Department shall provide a list of the names and job titles of Department employees authorized to request and receive Taxpayer Information from City/Town. The Department shall inform City/Town of any additions, deletions or changes to this list within fifteen calendar days after the change occurs and shall provide an updated list at least annually. This information shall be sent via email to City/Town at taxlic@glendaleaz.com. The City/Town will not disclose Taxpayer Information to a Department employee whose name is not included on this list. City/Town may contact the Department with any questions related to qualified recipients by contacting the Cities Unit at CitiesUnit@azdor.gov.
- 2.2 Use of Information:** Any Taxpayer Information released by City/Town to the Department may only be used by the Department for tax administration and collection purposes, and may not be disclosed to the public in any manner that does not comply with the Model City Tax Code. All Taxpayer Information shall be stored and destroyed in accordance with the Confidentiality Standards.

2.3 **Municipal Ordinance:**

- (a) City/Town shall provide the Department with a copy of its Municipal Tax code or any City/Town ordinances imposing the taxes to be collected hereunder within ten calendar days of a request for such information from the Department. This information shall be sent via email to the Cities Unit at CitiesUnit@azdor.gov.
- (b) City/Town shall provide the Department with a copy of any ordinance adopted by City/Town after execution of this Agreement that imposes or modifies the Municipal Taxes to be collected hereunder, including a new or different tax rate as defined by A.R.S. § 42-6053(E), within ten calendar days of Adoption of an Ordinance. This information shall be sent via email to the Cities Unit at CitiesUnit@azdor.gov. No such ordinance shall take effect on a date other than the first day of the month that is at least sixty calendar days after city/town provides notice to the Department unless City/Town and the Department agree otherwise. The Department shall add the change to the official copy of the Model City Tax Code within ten business days of receipt of notice from City/Town. City/Town is responsible for confirming the change has been made. Pursuant to A.R.S. § 42-6053(E)(2), changes in tax rates have no effect unless reflected in the official copy of the Model City Tax Code.
- (c) Within fifteen calendar days following the adoption of an annexation ordinance, one copy of the ordinance and notification of the effective date of such ordinance shall be sent to the Department via email at GIS@azdor.gov. City/Town shall also include with the notice a list of businesses City/Town knows to be located in the annexed area. The Department shall not be obligated to begin collection of Municipal Tax any sooner than the first day of the month that is at least sixty calendar days after the date the Department received notice from City/Town of the annexation.

2.4 Development and Impact Fees: Upon request, City/Town shall provide to the Department any information regarding development and impact fees to assist the Department with the auditing of taxpayers and billing and collection of taxes.

2.5 Audits: Upon request by the Department, City/Town shall allow inspections and copies of any City/Town tax audits.

2.6 Other Information: City/Town shall also provide other relevant information necessary for tax administration and collection purposes as requested by the Department.

2.7 Statutory Authority: The disclosure of confidential City/Town tax information is governed by Model City Tax Code Section 510.

3. Disclosure of Information by Department to City/Town.

- 3.1 Qualified Recipients of Information:** City/Town shall provide a list of the names and job titles of City/Town employees and any independent auditors acting on behalf of City/Town authorized to receive Confidential Information. City/Town shall inform the Department of any additions, deletions or changes to this list within fifteen calendar days after the change occurs and shall provide an updated list at least annually. This information shall be sent via email to the Cities Unit at CitiesUnit@azdor.gov. The Department will not disclose any Confidential Information to a City/Town employee or independent auditor whose name is not included on this list. The Department may contact City/Town with any questions related to qualified recipients by contacting taxlic@glendaleaz.com.
- 3.2 Suspension of Information:** The Department will not withhold Confidential Information from City/Town so long as City/Town complies with A.R.S. § 42-2001 et seq. and the Confidentiality Standards.
- (a) If the Department has information to suggest City/Town, or any of its duly authorized representatives, has violated A.R.S. § 42-2001 or the Confidentiality Standards, the Department will send written notice to City/Town detailing the alleged breach as understood by the Department and requesting a response to the allegation within twenty calendar days of the date of the letter.
 - (b) The Department will review the written response from City/Town and consider the information contained therein and all relevant circumstances surrounding the alleged violation before making a written determination as to whether a suspension of information is warranted and the length of the suspension.
 - (c) If City/Town is dissatisfied with the Department's determination it may within ten calendar days, submit a written request to SLUG requesting the group review the determination.
 - (d) If the Department has information to suggest City/Town has violated the Confidentiality Standards, the Department may inspect City/Town's records, facilities, and equipment to confirm whether there has been a violation.
- 3.3 Information to be Provided:** Within the restrictions outlined in this Section, the Department shall provide all of the information detailed in Appendix B, which may be modified by the mutual agreement of the parties. The Department shall not provide Federal Tax Information to City/Town. In addition to the information detailed in Appendix B, City/Town may obtain upon request:
- (a) Inspections and/or copies of Department tax audits, including all information related to all cities and towns included in the tax audit; and

- (b) Other relevant information necessary for tax administration and collection purposes, including all information necessary to verify City/Town received all revenues collected by the Department on behalf of City/Town.

3.4 Storage and Destruction of Confidential Information: All Confidential Information provided by the Department to City/Town shall be stored, protected, and destroyed in accordance with the Confidentiality Standards.

3.5 Statutory Authority: The Department may disclose Confidential Information to City/Town pursuant to A.R.S. § 42-2003(H) if the information relates to a taxpayer who is or may be taxable by a county, city or town. Any Confidential Information released to City/Town:

- (a) May only be used for internal tax administration purposes as defined in A.R.S. § 42-2001(4); and
- (b) May not be disclosed to the public in any manner that does not comply with the Confidentiality Standards.

A.R.S. § 42-2003(H)(2) provides that any release of Confidential Information that violates the Confidentiality Standards will result in the immediate suspension of any rights of City/Town to receive taxpayer information pursuant to A.R.S. § 42-2003(H).

3.6 Specificity of Data: A.R.S. § 42-6001 provides that taxpayers shall file and pay Municipal Taxes to the Department if the Department has developed the electronic and nonelectronic tools necessary to capture data with sufficient specificity to meet the needs of all taxing jurisdictions, including specific data regarding each tax classification and any corresponding deductions at each business location of the taxpayer. Pursuant to A.R.S. § 42-5015, the electronic system utilized by the Department must be able to capture data with sufficient specificity to meet the needs of the taxing jurisdiction. The Department and City/Town agree that JT2 and TPT2 (as summarized in Appendix C) are required to meet the specificity needs of City/Town.

(a) Non-Program City/Town: If City/Town performed its own Municipal Tax administration, collection, and licensing prior to July 1, 2015, then if the Department is unable to commit by September 1, 2015 that the data detail behind the JT2 and TPT2 will be provided to City/Town beginning and from January 1, 2016, the following shall take place:

- (1) The term of the agreement entered into by the Department and City/Town pertaining to City/Town performing municipal licensing services on behalf of the Department shall be extended for one (1) year; and
- (2) All provisions in this Agreement pertaining to the administration, collection, and licensing of Municipal Taxes shall not go into effect until such time as the Department is able to meet the requirements of A.R.S. § 42-6001 and

A.R.S. § 42-5015, however all language in this Agreement related to audit functions shall remain in full force and effect.

- (b) **Program Cities/Towns:** If the Department performed Municipal Tax administration, collection and licensing for City/Town prior to July 1, 2015, then if the Department is unable to commit by September 1, 2015 that the data detail behind the JT2 and TPT2 will be provided to City/Town beginning and from January 1, 2016, the Department will continue to perform those functions. The continued provision of such service, however, shall not be deemed waiver of any legal rights or remedies afforded to City/Town including, but not limited to, a failure to meet the requirements of A.R.S. § 42-6001 and A.R.S. § 42-5015.

4. Audit.

The Department shall administer the audit functions for City/Town in accordance with the following provisions.

- 4.1 **Training:** All auditors and supervisors shall be trained in accordance with the policies of the Department. Auditors who have not completed the training may only work in connection with a trained auditor and cannot be the only auditor assigned to the audit. The Department shall:
- (a) Provide audit training at least three times per year, or more frequently if there is a demonstrated need, and be responsible for its costs of the training and any associated materials;
 - (b) Provide additional training when practical;
 - (c) Notify City/Town of any training sessions at least thirty calendar days before the date of the training session;
 - (d) Provide copies of State tax statutes, audit reference materials and audit procedures and manuals;
 - (e) Permit City/Town auditors and supervisors to attend any scheduled training as space permits at designated training location; and
 - (f) Provide additional training as needed to inform auditors and supervisors regarding changes in State law or Department policy.
- 4.2 **Conflict of Interest:** An auditor or supervisor trained and authorized to conduct an audit may not conduct any of the following prohibited acts:
- (a) Represent a taxpayer in any tax matter against the Department or City/Town while employed or in an independent contractor relationship with the Department or City/Town.
 - (b) Attempt to use his/her official position to secure any valuable thing or valuable benefit for himself/herself or his/her family members.

- (c) Represent a taxpayer before the Department or City/Town concerning any matter in which he/she personally participated for a period of one year after he/she ends employment or the independent contractor relationship with the Department or City/Town.
- (d) Use information he/she acquires in the course of the official duties as an auditor or supervisor in a manner inconsistent with his/her official duties without prior written approval from the Department.
- (e) For a period of one year after he/she ends employment or an independent contractor relationship with the Department or City/Town, work in the same firm as a person who represents a taxpayer against the Department or City/Town unless the firm institutes formal barriers to prevent any sharing of information between the trained auditor or supervisor and the remainder of the firm.

The Department may revoke an individual's authority to audit and prohibit the use of any auditor or supervisor who violates this provision.

4.3 Audits and Refunds:

- (a) City/Town may conduct an audit of a taxpayer engaged in business only in City/Town. Before commencing such audit, City/Town shall notify the Department to ensure the taxpayer is not already scheduled for an audit. The Department will provide City/Town with a written response within fifteen calendar days of the notice from City/Town.
- (b) Except as permitted below, the Department shall conduct all audits of taxpayers having locations in two or more cities or towns. A City/Town auditor may participate in any audit City/Town requested the Department to perform.
- (c) City/Town shall notify the Department if it wants an audit of a taxpayer having locations in two or more Arizona cities or towns and whose primary business activity is in the following business classifications taxable by City/Town, but not a taxable activity under State law:
 - 1. Residential rentals;
 - 2. Commercial rentals;
 - 3. Speculative Builders; or
 - 4. Advertising.

The Department will authorize such audits, to be overseen by the Department, unless there is already an audit of the taxpayer scheduled, or the Department determines the audit selection is discriminatory, an abuse of process or poses other similar defects. The Department will notify City/Town of its determination within thirty calendar days. No initial audit contact may occur

between City/Town and a taxpayer until the Department approves the audit notice.

- (d) City/Town may request the Department conduct an audit of a taxpayer having locations in two or more Arizona cities or towns and whose primary business is subject to both city and state tax. The request must be made using the Department's audit request form. Copies of the form can be obtained from the Department's TPT Hub Unit at HubUnit@azdor.gov. The Department shall notify City/Town of the decision regarding the request within thirty calendar days of receipt of the request.
- (e) The Department may deny a request for an audit for the following reasons:
 - 1. An audit is already scheduled or planned for the taxpayer within six months of the request;
 - 2. The requested audit would interfere with strategic tax administration planning;
 - 3. The audit selection is discriminatory, an abuse of process or poses other similar defects;
 - 4. The request lacks sufficient information for the Department to determine whether it is appropriate;
 - 5. The Taxpayer was audited within the previous two years;
 - 6. The Department lacks sufficient resources to conduct the audit; or
 - 7. The scope or subject of the audit does not justify the use of Department resources.
- (f) If the Department denies a request to conduct an audit because it either lacks resources to conduct the audit itself or the scope or subject of the audit does not justify the use of Department resources then City/Town shall notify the Department if it wants to conduct the audit under the supervision of the Department. No initial audit contact may occur between City/Town and a taxpayer until the Department appoints someone to supervise the audit.
- (g) Any decision by the Department denying City/Town's request to conduct any audit may be referred to SLUG in accordance with Section 13 of this Agreement.
- (h) All audits conducted by City/Town shall be in accordance with standard audit procedures defined in the Department audit manual. All auditors shall be trained in accordance with Section 4.1 above.
- (i) The Department may appoint a manager to supervise any audit conducted by City/Town.

- (j) All audits shall include all taxing jurisdictions in the State regardless of which jurisdiction's auditors participate in the audit. All desk reviews must include all taxing jurisdictions for which there is information available.
- (k) The Department shall issue all audit assessments on behalf of all taxing jurisdictions in a single notice to the taxpayer.
- (l) The Department shall issue Modifications to audit assessments on behalf of all taxing jurisdictions in a single notice to the taxpayer.

4.4 Claims for Refund:

- (a) When a taxpayer files a request for refund, including refunds requested by filing amended returns, the Department shall process the request and review it for mathematical errors or for the failure of the taxpayer to properly compute the tax based on the taxable income reported on the return or refund request.
- (b) The Department will notify City/Town of all refund requests that are processed involving City/Town's Municipal Taxes within thirty calendar days of processing the refund. City/Town may request an audit of the taxpayer as set forth in Section 4.3 above.
- (c) The Department may assign an auditor to review requests for refunds. The Department will notify City/Town, within thirty calendar days of initiating a review, of all refunds under review by an auditor pertaining to a taxpayer who engages in business within City/Town's taxing jurisdiction and may request that City/Town assign an auditor to assist with such reviews.
- (d) City/Town is responsible for payment of all amounts to be refunded to taxpayers for Municipal Tax incorrectly paid to City/Town. The Department may offset a remittance to City/Town under this Agreement to cover the amounts of allowed refunds. If there are insufficient funds available to pay the refund, City/Town must pay the Department within sixty days of written demand from the Department.
- (e) The Department shall issue refund approvals/denials on behalf of all taxing jurisdictions in a single notice to the taxpayer. City/Town may request copies of such determinations.

4.5 Protests: Taxpayer protests of audit assessments and desk review assessments and refund denials shall be directed to the Department. Appeals of audit assessments, desk review assessments and refund denials shall be administered pursuant to Title 42, Chapter 1, Article 6, Arizona Revised Statutes. Upon request, the Department shall notify City/Town of any appeals within 30 days of receipt of the protest.

- 4.6 Notice of Resolution:** The Department shall notify City/Town when a protest is resolved, including information concerning the resolution of the protest, within 30 days after the resolution of a protest.
- 4.7 Status Reports:** The Department shall keep SLUG apprised of the status of each protested matter involving the imposition of Municipal Taxes. City/Town may request to be on a distribution list for monthly status reports by contacting the Department's Cities Unit.

5. Voluntary Disclosure Agreements

The Department may enter into a voluntary disclosure agreement with a taxpayer. A voluntary disclosure agreement may limit the years subject to audit and waive penalties. City/Town may request to be kept informed of voluntary disclosure agreements involving City/Town Municipal Tax. If City/Town makes that request, the Department will notify City/Town of the Department's intent to enter into an agreement and the Department will provide the taxpayer's identity within thirty calendar days of disclosure. City/Town may request an audit of a taxpayer subject to a voluntary disclosure agreement pursuant to Section 4.3 above.

6. License Compliance

6.1 License Issuance and Renewal: The Department shall issue new Municipal Tax licenses and renew such licenses for City/Town Municipal Tax. The Department of Revenue shall provide City/Town with information about all persons obtaining and renewing tax licenses as set forth in Appendix B.

6.2 License Checks: The Department and City/Town shall coordinate efforts to conduct tax license compliance checks through canvassing and other compliance methods.

6.3 Confidentiality: Any tax license information City/Town obtains from the Department is considered Confidential Information and may only be disclosed as authorized by A.R.S. § 42-2003. Any tax license information City/Town obtains through its own efforts may be disclosed as allowed by applicable City/Town laws.

6.4 Changes to License Fees: Within fifteen calendar days following the Adoption of an Ordinance (or official acknowledgment of approval of an ordinance by voters in an election of a charter city) issuing or modifying a tax license fee, one copy of the ordinance and notification of the effective date of such ordinance shall be sent to the Department via email at CitiesUnit@azdor.gov. The Department shall not be obligated to begin collection of the new or modified fee any sooner than sixty calendar days after the date the Department received the ordinance from City/Town. Notice of an ordinance concerning a renewal tax license fee must be received by the Department by July 31 in order to be collected the following calendar year.

7. Closing Agreements

- 7.1 **Approval** - The Department shall notify City/Town before entering into a Closing Agreement related to the tax levied and imposed by City/Town. The Department shall seek approval from either City/Town or SLUG before entering into such Closing Agreement. If the Closing Agreement concerns only City/Town, then the Department will attempt to obtain approval from City/Town first, and will only seek approval from SLUG if City/Town is unresponsive or the Department and City/Town cannot reach an agreement. Approval and notice is not required for Modifications of assessments.
- 7.2 **Litigation** - During the course of litigation, the Department shall seek a range of settlement authority from City/Town or SLUG, unless the circumstances prevent such action. The Department may also request a telephonic meeting of SLUG if time and circumstances require immediate action.

8. Responsibility for Representation in Litigation.

- 8.1 **Administrative Proceedings:** The Department shall be responsible for coordinating the litigation and defending the assessment or refund denial in any administrative appeals before the Office of Administrative Hearings or the Director of the Department regardless of who conducted the audit. The Department shall be reasonably diligent in defending the interests of City/Town and City/Town shall assist in such representation as may be requested by the Department.
- 8.2 **Further Appeals:** The Arizona Attorney General is responsible for defending the assessment or refund denial at the Board of Tax Appeals, the Arizona Tax Court and all higher courts. City/Town shall assist the Attorney General in such representation and litigation as requested by the Attorney General's Office.
- 8.3 **Mutual Cooperation:** The Department and City/Town agree they shall cooperate in the appeal and litigation processes and shall ensure their auditors, supervisors, and other necessary employees are available to assist the Department and the Attorney General for informal interviews, providing documents and computer records, preparing for depositions, attending depositions and trial as witnesses, and assisting in trial/hearing preparation as needed.
- 8.4 **Administrative Decisions:** The Department shall provide a copy of any and all administrative hearing level decisions, including Director's decisions issued by the Department to all jurisdictions on a distribution list. City/Town may request to be on the distribution list by contacting the Department's Cities Unit. Administrative decisions are Confidential Information and must be stored and destroyed in accordance with the Confidentiality Standards.

9. Collection of Municipal Taxes

- 9.1 Tax Returns:** Taxpayers who are subject to City/Town Municipal Taxes shall pay such taxes to the Department. Tax payments shall be accompanied by a return prepared by taxpayer on a form prescribed by the Department.
- 9.2 Collection:** The Department shall collect any Municipal Tax imposed by City/Town recorded on the Department's tax accounting system. Amounts the Department collects for delinquent City/Town Municipal Tax accounts after the termination of this Agreement shall be forwarded to City/Town.
- 9.3 Remittance:** All amounts collected by the Department for Municipal Taxes under this Agreement shall be remitted to City/Town weekly on the basis of actual collections. The Department shall initiate the electronic payment by noon on the Monday after the end of the week in which the collections were made. Remittance shall be made in the form of immediately available funds transferred electronically to the bank account designated by City/Town.
- 9.4 Abatement:** The Department, with the approval of the Attorney General, may abate tax under certain circumstances. During the ordinary course of business, the Department may determine for various reasons that certain accounts shall be closed or cancelled. The Department shall seek input from City/Town or SLUG before abating tax or closing accounts. The Department may request a telephonic meeting of SLUG if time and circumstances require immediate action.
- 9.5 Funds Owed to City/Town:** At all times and under all circumstances payments remitted by a taxpayer to the Department for City/Town Municipal Taxes will be considered property of City/Town. The Department may not retain or fail to remit such funds to City/Town for any reason not specifically set forth in this Agreement including, but not limited to, during the course of a dispute between City/Town and the Department.

10. Financing Collection of Taxes.

The costs incurred by the Department in administering this Agreement shall be financed through the State general fund appropriation to the Department.

11. Inter-Jurisdictional Transfers.

All inter-jurisdictional transfers of Municipal Tax monies by the Department shall be handled in the following manner:

- 11.1 Requests:** Requests for inter-jurisdictional transfers shall be made to the Department. The Department will review the request and will not automatically accept the request.

11.2 Notice: The Department shall notify City/Town and any other city or town implicated in the requested transfer a minimum of thirty calendar days prior to any inter-jurisdictional transfer of money.

11.3 Dispute Resolution: Any city or town subject to an inter-jurisdictional transfer shall resolve any dispute over the allocation of the tax in accordance with A.R.S. § 42-6003 and the Department shall transfer the funds subject to an inter-jurisdictional transfer in accordance with the agreed upon allocation in a timely manner.

12. Educational Outreach.

City/Town may conduct, at its own expense, educational outreach to taxpayers who are conducting business activities within City/Town's taxing jurisdiction concerning the Model City Tax Code and the collection and administration of Municipal Taxes. Educational outreach shall be consistent with applicable law and Department written guidance. Upon request, City/Town shall provide information to the Department concerning such educational outreach efforts.

13. SLUG.

The Department shall create an advisory group to help resolve issues

13.1 Members: The members shall consist of four seats representing municipal taxing jurisdictions and four seats representing the Department. Member seats may be split so some people fill the position for only certain issues, such as audit selection or collection abatement. There shall also be a list of alternate members, who may be asked by a regular member who is unable to attend a meeting to take that member's place at a SLUG meeting.

13.2 Selection: The Director of the Department shall appoint people to serve as members of SLUG. Municipal taxing jurisdictions shall nominate members from municipal taxing jurisdictions. All members shall serve for a period of one year unless they resign at an earlier date. Members may be appointed to serve consecutive terms. Members appointed to fill vacancies shall serve for the time remaining on the term.

13.3 Meetings: SLUG shall meet on a regular basis and at least monthly unless the members agree to cancel the meetings due to a lack of agenda items. It can schedule additional meetings as necessary to timely discuss issues presented. Alternate members may attend meetings, but cannot participate in any discussion or voting, unless filling the seat of a regular member.

13.4 Issues: City/Town may refer issues to SLUG involving the following:

- (a) Decisions by the Department to not audit a taxpayer;
- (b) Amendments to Department audit procedures or manuals;
- (c) Closing Agreements or a range of settlement authority;
- (d) Abatement or account closure in collections;
- (e) Suspension of disclosure of information from the Department; and
- (f) Other issues as authorized by the Director of the Department or agreed upon by the parties.

13.5 Recommendations: SLUG shall make recommendations to the Director of the Department. If the recommendation is approved by at least five members of SLUG, the Director will accept the recommendation of SLUG. If SLUG cannot reach a recommendation agreeable to at least five members of the group, the Director may act as he deems to be in the best interests of all parties.

13.6 Voting: Voting shall be by secret ballot.

13.7 Procedures: SLUG may develop procedures concerning the operation of the group as long as they are not inconsistent with this Agreement.

14. Funding of Additional Auditors by City/Town.

14.1 Funding: At the sole discretion of City/Town, City/Town may contribute funding to the Department to pay for additional auditors to assist the Department in the performance of audits of Municipal Tax owed to City/Town. Such additional auditors funded by City/Town shall at all times be deemed to be employees of the Department and under no circumstances shall be deemed to be employees or agents of City/Town. It is the parties' intention that City/Town funding be used to increase the capabilities of the Department to perform Municipal Tax audits and not to subsidize or replace State funding required for audit and collection of taxes.

14.2 Use of Funds: City/Town funding for additional auditors under this Section shall be used to fund the auditors' salaries and employee related expenses and shall not be used to pay for Department office space, utilities, equipment, supplies, or similar kinds of overhead.

14.3 Pool of Funds: The Department may pool any City/Town funding with any other similar funding provided by other municipal taxing jurisdictions to pay for additional auditors. The Department shall separately account for such funds in its annual budget.

- 14.4 Accounting:** The Department shall provide an annual accounting to City/Town, by August 31 each year describing how City/Town funding was used during the prior fiscal year.

15. Satellite Offices for Department Auditors.

- 15.1 Funding:** City/Town, at its own expense and at its sole discretion, may provide one or more satellite offices and associated amenities for use by Department employees to provide audit and/or customer service to taxpayers. Use of such facilities by Department employees shall be at the sole discretion of the Department. Nothing in this section shall require the Department to make use of such facilities provided by City/Town.
- 15.2 Requirements:** Any Department employee using a City/Town satellite office must meet reasonable requirements of City/Town related to the use of the facility. City/Town shall be responsible for notifying the Department of any concerns, and the Department shall be responsible for taking appropriate actions to resolve those concerns.
- 15.3 Termination:** Once a satellite office is established, City/Town shall provide at least 180 calendar days written notice to the Department prior to the termination or relocation of a satellite office. The Department may discontinue the use of a satellite office at any time upon notice to City/Town and shall promptly remove all Department property.
- 15.4 License:** All requirements of City/Town and the Department related to the satellite office shall be outlined in a mutually acceptable form of license and subject to separate approval.

16. Non-availability of Funds.

Every payment obligation of the Department and the City/Town pursuant to this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation, except for the rendering of funds to City/Town paid by a taxpayer for Municipal Taxes or tax license fees of City/Town. If funds are not appropriated, allocated and available or if the appropriation is changed resulting in funds no longer being available for the continuance of this Agreement, this Agreement may be terminated at the end of the period for which funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments or for any damages as a result of termination under this Section. The termination of this Agreement shall not entitle the Department to retain any Municipal Tax collected on behalf of City/Town pursuant to this Agreement.

17. Waiver.

Nothing in this Agreement should be interpreted as City/Town relinquishing its legal rights under the Arizona Constitution or other applicable law, nor that City/Town is conceding the administration and collection of its Municipal Tax is not of a local interest or should not be under local control.

18. Cancellation

The requirements of A.R.S. § 38-511 apply to this Agreement. The Department or City/Town may cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Department or City/Town is, at any time while this Agreement or any extension is in effect, an employee, agent or consultant of the other party with respect to the subject matter of this Agreement.

19. Notice.

- (a) When any Notice to City/Town is required under the terms of this Agreement, such Notice shall be mailed to City/Town at the following address, directed to the attention of:

City of Glendale
Attn: Finance Director
5850 W. Glendale Avenue
Glendale, Arizona 85301

With a copy to:

City of Glendale
Attn: City Manager
5850 W. Glendale Avenue
Glendale, Arizona 85301

City of Glendale
Attn: City Attorney
5850 W. Glendale Avenue
Glendale, Arizona 85301

- (b) When any Notice to the Department is required under the terms of this Agreement, such Notice shall be mailed to:

Arizona Department of Revenue
Attn: Director, Division Code 20
1600 W. Monroe
Phoenix, AZ 85007

Notice to the Department's Hub Unit or City Unit may be mailed to:

Arizona Department of Revenue
Division Code 16
1600 W. Monroe
Phoenix, AZ 85007

20. Non-discrimination.

The Department and City/Town shall comply with Executive Order 2009-9, which mandates all persons, regardless of race, color, religion, sex, age, or national origin, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act. The Department and City/Town shall take affirmative action to ensure applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.

21. Compliance with Immigration Laws and A.R.S. § 41-4401.

- 21.1 The Department and City/Town shall comply with all Federal immigration laws and regulations relating to employees and warrants compliance with A.R.S. § 23-214(A) which reads in part: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the e-verify program."
- 21.2 A breach of compliance with immigration laws and regulations shall be deemed a material breach of this Agreement and may be grounds for the immediate termination of this Agreement.
- 21.3 The Department and City/Town retain the legal right to inspect the papers of any employee who works on the Agreement to ensure the Department and City/Town is complying with the applicable Federal immigration laws and regulations and State statutes as set forth above.

22. Audit of Records.

City/Town and the Department shall retain all data, books, and other records ("Records") relating to this Agreement for at least six (6) years (a) after termination of this Agreement, and (b) following each annual renewal thereof. All Records shall be subject to inspection by audit by the State at reasonable times. Upon request, the Department and City/Town shall produce any or all such records. This Agreement is subject to A.R.S. §§ 35-214 and -215.

23. Amendments.

Any amendments to or modifications of this Agreement must be executed in writing in accordance with the provisions of this Agreement.

24. Mutual Cooperation.

In the event of a disagreement between the parties with regard to the terms, provisions and requirements of this Agreement or in the event of the occurrence of any circumstances bearing upon or affecting this Agreement, parties hereby agree to mutually cooperate in order to resolve the said disagreement or deal with the said circumstance.

25. Arbitration.

To the extent required by A.R.S. § 12-1518(B) and as provided for in A.R.S. § 12-133, the parties agree to resolve any dispute arising out of this Agreement by arbitration. The parties agree that any lawsuit filed by City/Town relating to the issues outlined in Section 17 of this Agreement is not considered to be a dispute arising out of this Agreement.

26. Implementation.

The implementation and execution of the provisions of this Agreement shall be the responsibility of the Director of the Department or his representative and the Mayor his/her designee, or another party with designated authority pursuant to applicable law or City/Town charter on behalf of City/Town.

27. Limitations.

Nothing in this Agreement shall be construed as limiting or expanding the statutory responsibilities of the parties in performing functions beyond those granted to them by law, or as requiring the parties to expend any sum in excess of their appropriations.

28. Duration.

- 28.1 The term of this Agreement shall be from July 1, 2015 through June 30, 2016. This Agreement shall automatically be renewed for successive one year terms thereafter unless either party shall terminate this Agreement by notice, in writing, no later than sixty calendar days prior to the expiration of the term then in effect.
- 28.2 If State legislation enacted subsequent to the date of this Agreement substantially affects the performance of this Agreement by either party or substantially diminishes the benefits either party would receive under this Agreement, either

party may then terminate this Agreement by giving at least thirty calendar days' notice to the other party. The termination will become effective immediately upon the expiration of the notice period unless otherwise agreed to by the parties.

- 28.3 Notwithstanding any provision to the contrary herein, both parties may by mutual agreement provide for the termination of this contract upon such terms and at such time as is mutually agreeable to them.
- 28.4 Any notice of termination shall be mailed and served on the other party in accordance with Section 19 of this Agreement.
- 28.5 During the term of this Agreement, the terms and conditions of this Agreement will undergo an annual review to be completed no later than March 1st of each year. The review will be performed by a committee made up of equal parts representatives of the Department and representatives of the municipal taxing jurisdictions entering into an IGA with the Department for the administration and collection of Municipal Taxes.

29. Choice of Law.

The laws and regulations of the State of Arizona shall govern the rights of the parties, the performance of this Agreement, and any disputes arising from this Agreement.

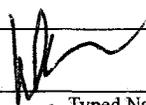
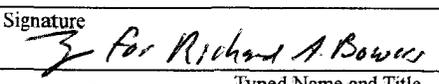
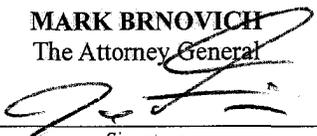
30. Entire Agreement.

This document, including other documents referred herein, and any approved subcontracts, amendments and modifications made thereto, shall constitute the entire Agreement between the parties and shall supersede all other understandings, oral or written.

31. Signature Authority.

- 31.1 By signing below, the signer certifies he or she has the authority to enter into this Agreement on behalf of his or her respective party, and he or she has read the foregoing and agrees to accept the provisions herein on said party's behalf.

31.2 This Intergovernmental Agreement may be executed in counterpart.

| | | | |
|---|--|--|---------------------|
| Signature  | Date <u>7/2/15</u> | Signature  | Date <u>6-25-15</u> |
| Typed Name and Title <u>David Raber, Director</u> | | Typed Name and Title <u>Acting City Manager, Richard A. Bowers</u> | |
| Entity Name <u>Arizona Department of Revenue</u> | | Entity Name | |
| Address <u>1600 W. Monroe</u> | | Address <u>5850 W. Glendale Ave</u> | |
| City <u>Phoenix</u> State <u>AZ</u> Zip <u>85009</u> | | City <u>Glendale</u> State <u>AZ</u> Zip <u>85310</u> | |
| RESERVED FOR THE ATTORNEY GENERAL: | RESERVED FOR CITY/TOWN ATTORNEY: | | |
| This agreement between public agencies has been reviewed pursuant to A.R.S. § 11-952 by the undersigned Assistant Attorney General who has determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the Arizona Department of Revenue represented by the Attorney General. | APPROVED AS TO FORM AND AUTHORITY: | | |
| | BY:  CITY/TOWN ATTORNEY | | |
| | Date: <u>6/24/15</u> | | |
| MARK BRNOVICH The Attorney General  Signature Assistant Attorney General | | | |
| Date: <u>7/2/15</u> | ATTEST:  City Clerk | | |

STATE OF ARIZONA

Department of Revenue



Arizona Department of Revenue
Program Cities Unit

Tom Johnson
Assistant Director

Vivian Soza
Administrator

July 10, 2015

City Manager
City of Glendale
5850 W Glendale Ave
Glendale, AZ 85301

RE: Intergovernmental Agreement

Dear City Manager:

Please find attached the fully executed Intergovernmental Agreement between the Arizona Department of Revenue and City of Glendale. The new Agreement is effective July 1, 2015.

Please contact the Cities Unit at (602) 716-6906 or CitiesUnit@azdor.gov if you have any questions.

Sincerely,

Vivian Soza
Program Cities Unit
CitiesUnit@azdor.gov

APPENDIX A

ARIZONA DEPARTMENT OF REVENUE CONFIDENTIALITY REQUIREMENTS

1. Confidential Information

- 1.1 Confidential Information is defined in A.R.S § 42-2001. Confidential Information may not be disclosed except as provided by statute. A.R.S. § 42-2001(B).
- 1.2 License information obtained from the Department of Revenue is Confidential Information and may only be disclosed as authorized by A.R.S. § 42-2003. License information obtained from other sources is not Confidential Information.
- 1.3 Information about a taxpayer's identity obtained from the Department of Revenue is Confidential information and may only be disclosed as authorized by A.R.S. § 42-2003. Identity information obtained from other sources is not Confidential Information.
- 1.4 Confidential Information includes information about a single taxpayer and also aggregated information about a group of identified or identifiable taxpayers. Aggregated information from fewer than three taxpayers in a grouping on a statewide basis or fewer than ten taxpayers in a grouping for an area that is less than state level (city or town) may be Confidential Information. Such information may not be released unless the City/Town Administrator reviews the relevant information concerning the aggregate data and makes a determination in writing that the aggregate data does not reveal information about any specific taxpayer. Such determination should take into consideration the following:
 - a. The proportionality of the tax information applicable to individual members of the group of taxpayers; no individual taxpayer's information should be discernable due to its relative size/taxable sales, compared to other members of the group;
 - b. The total aggregated tax information; the aggregate information cannot allow viewers to draw conclusions about individual taxpayers (e.g., there are 6 car dealers in the city and the total aggregate sales were \$900,000 and none of them reported individual sales above the \$20,000 mark, which would have qualified for the lower tax rate on large purchases)
 - c. Any other factor that could cause the aggregate data to be used to determine information specific to a single taxpayer.

2. Protecting Information

- 2.1 City/Town must identify all places, both physical and logical, where Confidential Information is received, processed and stored and create a plan to adequately secure those areas.

- 2.2 Confidential Information must be protected during transmission, storage, use, and destruction. City/Town must have policies and procedures to document how it protects its information systems, including Confidential Information contained therein. An example of appropriate protection standards is set forth in National Institute of Standards and Technology Special Publication 800-53. The publication may be found at <http://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-53r4.pdf>
- 2.3 Employees are prohibited from inspecting information unless they have a business reason for the information. Browsing information concerning friends, neighbors, family members, or people in the news is strictly prohibited.
- 2.4 All removable media, including paper and CDs, containing Confidential Information must be secured when not in use and after normal business hours by placing all materials in a locked drawer or cabinet. During use, Confidential Information must be protected so that it is not visible to members of the public or anyone without a business need for the information.
- 2.5 All individuals accessing or storing Confidential Information from an alternative work site must enter into a signed agreement that specifies how the Confidential Information will be protected while at that site. Only trusted employees shall be permitted to access Confidential Information from alternative sites. Confidential Information may not be accessed while in public places such as restaurants, lounges, or pools.
- 2.6 Confidential Information may not be sent outside the local area network by unencrypted email. City/Town is responsible for ensuring in-flight email communications containing Confidential Information are sent through a secure process. This may include encryption of the email message, a secure mailbox controlled by City/Town, an encrypted point-to-point tunnel between the correspondents or use of Transport Layer Security (TLS) between correspondents. The acceptable encryption algorithms are set forth in the standards attached as Exhibit 1, which may be updated to accommodate changed technology.
- 2.7 Confidential Information may not be discussed in elevators, restrooms, the cafeteria, or other public areas. Terminals should be placed in such a manner that prohibits public viewing of Confidential Information.
- 2.8 When transporting confidential materials the materials should be covered so that others cannot see the Confidential Information. When sending Confidential Information by fax a cover sheet should always be used.
- 2.9 Any person with unsupervised access to Confidential Information shall receive training on the confidentiality laws and requirements to protect such information before being given access to such Information and annually thereafter. They must sign certificates after the training acknowledging that they understand their responsibilities. City/Town must keep records to document this training and certification.

3. Disclosure of Information

- 3.1 Confidential Information may only be disclosed as permitted by A.R.S. § 42-2003.
- 3.2 Confidential Information is confidential by statute and, therefore, does not have to be disclosed in response to a public records request. A state agency may deny inspection of public records if the records are confidential by statute. *Berry v. State*, 145 Ariz. 12, 13 699 P.2d 387, 388 (App. 1985).
- 3.3 A taxpayer may designate a person to whom Confidential Information may be disclosed by completing a Department of Revenue Form 285, or such other form that contains the information included in the Form 285. City/Town may contact the Department of Revenue's Disclosure Officer if there are any questions concerning this requirement.

Disposal of Information

- 4.1 All removable media containing Confidential Information must be returned to the Department of Revenue or sanitized before disposal or release from the control of City/Town.
- 4.2 Confidential Information may be destroyed by shredding or burning the materials when no longer needed. Confidential Information may not be disposed of by placing the materials in the garbage or recycle bins. Destruction of Confidential Information may be performed by a third party vendor. City/Town must take appropriate actions to protect the Confidential Information in transit and storage before it is destroyed, such as periodic inspections of the vendor.
- 4.3 Computer system components and devices such as copiers and scanners that have been used to store or process Confidential Information may not be repurposed for non-tax administration uses unless the memory or hard drive of the device is sanitized to ensure under no circumstances Confidential Information can be restored or recovered.

EXHIBIT 1

ENCRYPTION STANDARDS

1.0 Acceptable Encryption Algorithms – The following encryption algorithms are considered acceptable for use in information systems to protect the transmission or storage of Confidential Information and system access.

1.1.1 Acceptable Security Strength – the security strength of an encryption algorithm is a projection of the time frame during which the algorithm and the key length can be expected to provide adequate security. The security strength of encryption algorithms is measured in bits, a measure of the difficulty of discovering the key.

a. The current minimum key strength for Confidential Information is 112 bits.

1.1.2 Symmetric Encryption Algorithms – The following symmetric encryption algorithms are considered acceptable for use.

| Algorithm | Reference | Acceptable Key Strengths |
|--|-----------|--------------------------|
| Advanced Encryption Standard (AES) | FIPS 197 | 128, 192 or 256 bits |
| Triple Data Encryption Algorithm (TDEA) (three key 3DES) | SP 800-67 | 168 bits |

1.1.3 Key Agreement Schemes – The following key agreement schemes are considered acceptable for use

| Key Agreement Scheme | Reference | Acceptable Key Strengths | |
|----------------------------|-------------|--------------------------|--|
| | | Finite Fields | Elliptical Curves |
| Diffie-Hellman (DH) or MOV | SP 800-56A | P = 2048 | N: 224-255 and H=14 N: 256-383 and H=16 |
| | SP 800-135 | Q = 224 or 256 | N: 384-511 and H=24 N: 512+ and H=32 |
| RSA – based | SP 800-131A | N = 2048 | |

1.1.4 Hash Functions – The following hash functions are considered acceptable for use

| Digital Signature Generation | Digital Signature Verification | Non-digital signature generation applications |
|------------------------------|--------------------------------|---|
| SHA-224 | SHA-224 | SHA-1 |
| SHA-256 | SHA-256 | SHA-224 |
| SHA-384 | SHA-384 | SHA-256 |

| | | |
|---------|---------|--------------------|
| SHA-512 | SHA-512 | SHA-384 SHA-512 |
|---------|---------|--------------------|

1.1.5 Digital Signature Algorithms – The following digital signature algorithms are considered acceptable for use.

| Digital Signature Algorithm | FIPS Publication | Digital Signature Generation Settings | Digital Signature Verification Settings | Relative Strengths |
|---|------------------|---------------------------------------|---|--------------------|
| Digital Signature Standard (DSA) | FIPS 186-4 | p >= 2048 q = 224 | p >= 2048 q = 224 | >= 112 bits |
| RSA Digital Signature | FIPS 186-4 | 2048 | 2048 | >= 112 bits |
| ECDSA | FIPS 186-4 | 224 | 224 | >= 112 bits |

1.1.6 Message Signature Algorithms – The following digital signature algorithms are considered acceptable for use.

| Hash Algorithms | Hash Generation | Hash Verification |
|------------------|-----------------|-------------------|
| HMAC | >= 112 bits | >= 112 bits |
| CMAC | AES, 3DES | AES, 3DES |
| CCM and GCM/GMAC | AES | AES |

APPENDIX B

From the effective date of this Agreement until the new functionalities set forth below are implemented, the Department of Revenue will provide the following reports:

City Payment Journal Detail;
City Payment Journal Summary;
New License Report

Within 30 days after the first month's implementation of the JT2, the Department of Revenue will provide a new License Report and License Update Report containing at least the following fields:

NEW LICENSE REPORT AND LICENSE UPDATE REPORT

Fields displayed:

- Region Code
- Run Date
- Report Start Date
- Report End Date
- Update Date
- ID Type
- ID
- Account ID
- Entity Name
- Ownership Type
- License ID
- OTO/Applied For indicator
- Bankruptcy Indicator
- Filing Frequency
- Issue Date
- Account Start Date
- Business Start Date
- Arizona Start Date
- Doc Loc Nbr
- Accounting Method
- Close Date
- Close Code
- Business Description
- NAICS1
- NAICS2
- NAICS3
- NAICS4
- Mailing Street1
- Mailing Street2
- Mailing Street3
- Mailing City

- Mailing State
- Mailing ZIP
- Mailing Country
- Mailing Phone Number
- Mailing Address Add date
- Mailing Address End Date
- Audit Street1
- Audit Street 2
- Audit Street 3
- Audit City
- Audit State
- Audit Zip
- Audit Country
- Audit Phone Number
- Audit Address Add Date
- Audit Address End Date
- Location Code
- Business Codes
- Location Name (DBA)
- Number of Units
- Location Street 1
- Location Street 2
- Location Street 3
- Location City
- Location State
- Location Zip
- Location Country
- Location Phone Number
- Location Start Date
- Location End Date
- Primary Location Street 1
- Primary Location Street 2
- Primary Location Street 3
- Primary Location City
- Primary Location State
- Primary Location Zip Code
- Primary Location Country
- Primary Location Phone Number
- Primary Location Start Date
- Primary Location End Date
- Owner Name
- Owner Title
- Owner Name 2
- Owner Title 2
- Owner Name 3
- Owner Title 3

Within 30 days of the implementation of the TPT2, the Department of Revenue will provide the following reports with at least the fields indicated below:

CITY PAYMENT JOURNAL

- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Period End Date
- Payment received date
- Return received date
- Payment process date
- Return process date
- Filing Frequency
- License ID
- Entity Name
- Location Code
- Location Name (DBA)
- Location Street 1
- Location Street 2
- Location Street 3
- Location City
- Location State
- Location Zip
- Location Country
- NAICS
- Business Code
- Doc Loc Nbr
- Pmt Loc Nbr
- Gross Receipts
- Total Deductions
- Tax or Fee Collected
- P & I Collected
- Audit Collections
- Tran Type
- Tran Subtype
- Rev Type

CITY PAYMENT JOURNAL SUMMARY

- Region Code
- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Business Code
- Number of Accounts

- Collections

Within 30 days after the first month's implementation of the TPT2, the following reports with at least the fields indicated below:

NO MONEY REPORT

- Region Code
- GL Accounting Period
- Period End Date
- Payment received date
- Return received date
- Payment process date
- Return process date
- Filing Frequency
- License ID
- Entity Name
- Location Code
- Location Name (DBA)
- Location Street 1
- Location Street 2
- Location Street 3
- Location City
- Location State
- Location Zip
- Location Country
- NAICS
- Business Code
- Doc Loc Nbr
- Pmt Loc Nbr
- Gross Receipts
- Total Deductions
- Tax or Fee Collected
- P & I Collected
- Audit Collections
- Tran Type
- Tran Subtype

DEDUCTION REPORT

- Region Code
- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Period End Date
- License ID
- Entity Name

- Location Code
- Location Name (DBA)
- Business Code
- Doc Loc Nbr
- Deduction Code
- Deduction Amount
- Tran Type
- Tran Subtype
- Rev Type

Within 30 days after taxes (subject to fund distributions) are collected, the Department of Revenue will provide the following report with at least the fields indicated below:

FUND DISTRIBUTION REPORT

- Region Code
- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Period End Date
- Payment Received Date
- Return Received Date
- Payment Processed Date
- Return Processed Date
- License ID
- Entity Name
- Location Code
- Location Name (DBA)
- Business Code
- Doc Loc Nbr
- Fund Allocation Code
- Amount Distributed

FUND DISTRIBUTION SUMMARY REPORT

- Region Code
- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Fund Allocation Code
- Amount Distributed

ARIZONA JOINT TAX APPLICATION (JT-2)



License & Registration
ARIZONA DEPARTMENT OF REVENUE
 PO BOX 28032
 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 Taxpayer Information & Assistance: (602) 542-4576

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

| SECTION A: Business Information | | | |
|--|---|--|-------------------|
| 1* Federal Employer Identification No. or Social Security No. <small><i>if sole proprietor without employees</i></small> | 2* License Type – Check all that apply: <input type="checkbox"/> Transaction Privilege Tax (TPT) <input type="checkbox"/> Use Tax <input type="checkbox"/> Withholding/Unemployment Tax <small><i>(if hiring employees)</i></small> <input type="checkbox"/> TPT for Cities ONLY | | |
| 3* Type of Organization/Ownership – Tax exempt organizations must attach a copy of the Internal Revenue Service's letter of determination. <input type="checkbox"/> Individual/Sole Proprietorship <input type="checkbox"/> Subchapter S Corporation <input type="checkbox"/> Government <input type="checkbox"/> Joint Venture <input type="checkbox"/> Corporation <input type="checkbox"/> Association <input type="checkbox"/> Estate <input type="checkbox"/> Receivership State of Inc. _____ Date of Inc. <u>M.M.D.D.Y.Y.Y.Y.</u> <input type="checkbox"/> Partnership <input type="checkbox"/> Trust <input type="checkbox"/> Limited Liability Company <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. <small><i>(with area code)</i></small> | 7 Email Address | 8 Fax Number <small><i>(with area code)</i></small> | |
| 9* Description of Business: Describe merchandise sold or taxable activity. | | | |
| 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 <small><i>(see bonding requirements)</i></small> | |
| 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 <small><i>(Do not use PO Box, PMB or route numbers)</i></small> | | City | State ZIP Code |
| County/Region | | Country | |

Continued on page 2 →

| FOR AGENCY USE ONLY | | |
|---------------------------------|----------------|---------------------------|
| | ACCOUNT NUMBER | IDEN |
| <input type="checkbox"/> New | START | TRANSACTION PRIVILEGE TAX |
| <input type="checkbox"/> Change | SEDATE | 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) |
|---------------------------|----------------------------------|

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 M, M I D, D I Y, Y, Y, Y | 2* Date Sales Began M, M I D, D I Y, Y, Y, Y | 3 What is your anticipated annual income 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 of 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* 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> | |
| 3* Additional County/Region Indian Reservation: County/Region and Indian Reservation 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 need more space, attach Additional Business Locations form available at www.azdor.gov

| | |
|---------------------------|----------------------------------|
| Name (as shown on page 1) | FEIN or SSN (as shown on page 1) |
|---------------------------|----------------------------------|

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: _____</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;"> <thead> <tr> <th>Hired Year</th> <th>Hired Quarter</th> <th>Paid Year</th> <th>Paid Quarter</th> </tr> </thead> <tbody> <tr> <td>Y, Y, Y, Y</td> <td>Q</td> <td>Y, Y, Y, Y</td> <td>Q</td> </tr> </tbody> </table> | | Hired Year | Hired Quarter | Paid Year | Paid Quarter | Y, Y, Y, Y | Q | Y, Y, Y, Y | Q |
| Hired Year | Hired Quarter | Paid Year | Paid Quarter | | | | | | |
| Y, Y, Y, Y | Q | Y, Y, Y, Y | Q | | | | | | |
| <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;"> <thead> <tr> <th>Year</th> <th>Quarter</th> </tr> </thead> <tbody> <tr> <td>Y, Y, Y, Y</td> <td>Q</td> </tr> </tbody> </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;"> <thead> <tr> <th>Year</th> <th>Quarter</th> </tr> </thead> <tbody> <tr> <td>Y, Y, Y, Y</td> <td>Q</td> </tr> </tbody> </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 (authorized users)

By electing to register for www.AZTaxes.gov, you can have online access to account information, file and pay Arizona transaction privilege, use, and withholding taxes. You may also designate authorized users to access these services. Please provide the name of the authorized user for AZTaxes.gov.

| | |
|-------------------------------|--|
| Name of Authorized User | |
| Title | |
| Email Address | |
| Phone Number (with area code) | |

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.

Under penalty of perjury I (we), the applicant, declare that the information provided on this application is true and correct. I (we) hereby authorize the security administrator, if one is listed in Section G, to access the AZTaxes.gov site for the business identified in Section A. This authority is to remain in full force and effect until the Arizona Department of Revenue has received written termination notification from an authorized officer.

| | |
|----------------------|----------------------|
| 1 Print or Type Name | 2 Print or Type Name |
| Title | Title |
| Date | Date |
| Signature | Signature |

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

Equal Opportunity Employer/Program

This application 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) |
|---------------------------|----------------------------------|

SECTION I: State/County & City License Fee Worksheet

ALL FEES ARE SUBJECT TO CHANGE. Check for updates at 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 | | \$50.00 | | Goodyear | GY | | \$5.00 | | Sahuaria | SA | | \$5.00 | |
| Avondale | AV | | \$40.00 | | 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 | | Keamy | 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 | | \$50.00 | | 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 | | \$30.00 | | Surprise | SP | | \$10.00 | |
| Colorado City | CC | | \$2.00 | | Miami | MM | | \$2.00 | | Taylor | TL | | \$2.00 | |
| Coolidge | CL | | \$2.00 | | Nogales | NO | | \$25.00 | | 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 | | \$45.00 | |
| Eagar | EG | | \$10.00 | | Patagonia | PA | | \$25.00 | | 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 | | \$46.00 | | Phoenix | PX | | \$50.00 | | Willcox | WC | | \$25.00 | |
| 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 | | \$25.00 | | 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 | | \$50.00 | | 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) \$ | | | | |

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: 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 |
| <div style="border: 1px solid black; padding: 5px; width: fit-content;"> <p>ONLY CHANDLER, PHOENIX, and SCOTTSDALE need to use this section, and NOT the fee chart above, to calculate license fee(s). The amount for each city CANNOT EXCEED \$50.00</p> </div> | | | \$ |
| 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.
- Include FEIN or SSN on payment.
- Do not send cash.
- License will not be issued without full payment of fee.

TRANSACATION PRIVILEGE, USE, AND SEVERANCE TAX RETURN - (TPT-2)

Arizona Department of Revenue

PO Box 29010 - Phoenix, AZ 85038-9010
 For assistance out of state or in the Phoenix area: (602) 255-2060 or
 Statewide, toll free area codes 520 and 928: (800) 843-7196

TPT-2 return is due the 20th day of the month following the month in which the transactions were conducted

TAXPAYER INFORMATION

AMENDED RETURN FINAL RETURN CHECK HERE AND SIGN BELOW IF YOU HAVE NO GROSS RECEIPTS TO REPORT
(Cancel License)

BUSINESS NAME _____

C/O _____

MAILING ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

ADDRESS CHANGED (MAILING ADDRESS ONLY) BUSINESS PHONE NUMBER _____

TAXPAYER IDENTIFICATION NUMBER SSN EIN

LICENSE NUMBER _____

| | |
|--|------------------------|
| PERIOD BEGINNING | PERIOD ENDING |
| M, M, D, D, Y, Y, Y, Y | M, M, D, D, Y, Y, Y, Y |
| REVENUE USE ONLY; DO NOT MARK IN THIS AREA | |

| | |
|---------------|---------------|
| POSTMARK DATE | RECEIVED DATE |
| | |

AA NET AD/COUNTY TAX (PAGE 2, LINE MM, COLUMN (M)).....

BB NET CITY TAX (PAGE 3, LINE RR, COLUMN (M)).....

CC NET TAX DUE ON THIS RETURN (LINE AA + LINE BB = LINE CC).....

DD TPT ESTIMATED PAYMENTS TO BE USED ON THIS RETURN (JUNE RETURN ONLY, DUE IN JULY).....

EE TAX DUE NET OF TPT ESTIMATED PAYMENTS (LINE CC - LINE DD = LINE EE).....

FF TOTAL AMOUNT REMITTED WITH THIS RETURN.....

NOTE: A TRANSACTION ID # ON ALL PAGES IS REQUIRED ON THE RETURN WITH NO PROGRESS CORRECT AND REVAINES WAY APPLS

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

The taxpayer designates the individual listed below as the person to contact to schedule an audit of this return and authorize the disclosure of confidential information to this individual.

TAXPAYER PRINTED NAME _____

TAXPAYER SIGNATURE _____ DATE _____

TAXPAYER PHONE NO. _____ TITLE _____

PAID PREPARER'S SIGNATURE (OTHER THAN TAXPAYER) _____

PAID PREPARER'S TIN _____ PAID PREPARER'S PHONE NO. _____

PLEASE MAKE CHECK PAYABLE TO ARIZONA DEPARTMENT OF REVENUE

TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX RETURN - (TPT-2)

LICENSE NUMBER: _____

PAGE 2 OF _____

STATE (AZ) /COUNTY TRANSACTION DETAIL (See Table 1 on the Tax Rate Table, www.azdor.gov)

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
|----------|----------------|----------|------------------------|----------------|----------------------------|-----------------------------|----------------------|---------------------------|-------------------|-----------------------------------|-----------------------------------|-----|
| REG CODE | NAME OF REGION | BUS CODE | DESC. OF BUS. ACTIVITY | GROSS RECEIPTS | DEDUCTIONS FROM SCHEDULE A | (F) - (G) = (H) NET TAXABLE | AZ / COUNTY TAX RATE | (H) X (I) = (J) TOTAL TAX | ACCTG CREDIT RATE | (H) X (K) = (L) ACCOUNTING CREDIT | (J) - (L) = (M) AZ/COUNTY TAX DUE | |
| 1 | | | | | | | | | | | | |
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FINAL

GG SUBTOTAL
 HH TOTALS FROM ADDITIONAL AZ/COUNTY PAGE(S)
 II TOTAL (LINE GG + LINE HH = LINE II)
 JJ EXCESS TAX COLLECTED
 KK EXCESS TAX ACCOUNTING CREDIT: (SEE INSTRUCTIONS)
 LL NET AZ/COUNTY EXCESS TAX COLLECTED (LINE JJ, COLUMN (M) - LINE KK, COLUMN (M))
 MM NET AZ/COUNTY TAX (LINE II, COLUMN (M) + LINE LL, COLUMN (M))

TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX RETURN - (TPT-2)

LICENSE NUMBER: _____

PAGE 3 OF _____

CITY TRANSACTION DETAIL (See Table 2 on the Tax Rate Table, www.azdor.gov)

| (A) LOC. CITY CODE CODE | (B) CITY NAME OF CITY | (C) NAME OF CITY | (D) BUS. CODE | (E) DESC. OF BUS. ACTIVITY | (F) GROSS RECEIPTS | (G) DEDUCTIONS FROM SCHEDULE A | (H) (F) - (G) = (H) NET TAXABLE | (I) CITY TAX RATE | (J) (H) X (I) = (J) TOTAL TAX | (K) CITY CREDIT | (M) (J) - (K) = (M) CITY TAX DUE |
|--|-----------------------------|---------------------|---------------------|----------------------------------|-----------------------|---|---------------------------------------|----------------------------|-------------------------------------|-----------------------|---|
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| NN CITY SUBTOTAL OO CITY SUBTOTALS FROM ADDITIONAL CITY PAGE(S) PP CITY TOTAL (LINE NN + LINE OO = LINE PP) QQ CITY EXCESS TAX COLLECTED RR NET CITY TAX (LINE PP, COLUMN (M) + LINE QQ, COLUMN (M)) | | | | | | | | | | | |

FINAL

TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX RETURN - (TPT-2)
 ADDITIONAL TRANSACTIONS

LICENSE NUMBER: _____

PAGE 2A OF _____

STATE (AZ) /COUNTY TRANSACTION DETAIL (See Table 1 on the Tax Rate Table, www.azdor.gov)

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
|--------------------------|----------------|-----------|------------------------|----------------|----------------------------|-----------------------------|----------------------|---------------------------|--------------------|-----------------------------------|-----------------------------------|-----|
| REG. CODE | NAME OF REGION | BUS. CODE | DESC. OF BUS. ACTIVITY | GROSS RECEIPTS | DEDUCTIONS FROM SCHEDULE A | (F) - (G) = (H) NET TAXABLE | AZ / COUNTY TAX RATE | (H) X (I) = (J) TOTAL TAX | ACCTNG CREDIT RATE | (H) X (K) = (L) ACCOUNTING CREDIT | (J) - (L) = (M) AZ/COUNTY TAX DUE | |
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| 25 | | | | | | | | | | | | |
| AZ/COUNTY SUBTOTAL | | | | | \$ | \$ | | | | \$ | \$ | |

FINAL

ADD SUBTOTALS OF AZ/COUNTY ADDITIONAL TRANSACTIONS TO THE 2ND PAGE OF RETURN

TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX RETURN - (TPT-2)
 ADDITIONAL TRANSACTIONS

LICENSE NUMBER: _____

PAGE 3A OF _____

CITY TRANSACTION DETAIL (See Table 2 on the Tax Rate Table, www.azdor.gov)

| (A) LOC. CODE | (B) CITY CODE | (C) NAME OF CITY | (D) BUS. CODE | (E) DESC. OF BUS. ACTIVITY | (F) GROSS RECEIPTS | (G) DEDUCTIONS FROM SCHEDULE A | (H) (F) - (G) = (H) NET TAXABLE | (I) CITY TAX RATE | (J) (H) X (I) = (J) TOTAL TAX | (K) CITY CREDIT | (M) (J) - (K) = (M) TAX DUE |
|------------------|------------------|---------------------|------------------|-------------------------------|-----------------------|-----------------------------------|------------------------------------|----------------------|----------------------------------|--------------------|--------------------------------|
| 1 | | | | | | | | | | | |
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| 24 | | | | | | | | | | | |
| 25 | | | | | | | | | | | |
| CITY SUBTOTAL | | | | | \$ | \$ | | | | \$ | \$ |

FINAL

ADD SUBTOTALS OF CITY ADDITIONAL TRANSACTIONS TO THE 3RD PAGE OF RETURN

TP1-2 - SCHEDULE A DEDUCTIONS - STATE/COUNTY TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX

LICENSE NUMBER: _____

Page _____ of _____

STATE (AZ) /COUNTY DEDUCTIONS DETAIL

| (A) | (B) | (C) | (D) | (E) | (F) |
|---|-------------|---------------|----------------|------------------|-------------------------------|
| | REGION CODE | BUSINESS CODE | DEDUCTION CODE | DEDUCTION AMOUNT | DESCRIPTION OF DEDUCTION CODE |
| 1 | | | | \$ | |
| 2 | | | | \$ | |
| 3 | | | | \$ | |
| 4 | | | | \$ | |
| 5 | | | | \$ | |
| 6 | | | | \$ | |
| 7 | | | | \$ | |
| 8 | | | | \$ | |
| 9 | | | | \$ | |
| 10 | | | | \$ | |
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| 30 | | | | \$ | |
| 31 | | | | \$ | |
| 32 | | | | \$ | |
| 33 | | | | \$ | |
| 34 | | | | \$ | |
| 35 | | | | \$ | |
| AA SUBTOTAL OF DEDUCTIONS..... | | | | \$ | |
| BB DEDUCTION TOTALS FROM ADDITIONAL AZ/COUNTY PAGE(S) ... | | | | \$ | |
| CC TOTAL DEDUCTIONS (LINE AA + LINE BB = LINE CC)..... | | | | \$ | |
| TOTAL MUST EQUAL TOTAL ON PAGE 2, LINE II, COLUMN G | | | | \$ | |

ADOR 10872 (5/15)

FINAL

TPT-2 - SCHEDULE A DEDUCTIONS - CITY TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX

LICENSE NUMBER: _____

Page _____ of _____

CITY DEDUCTIONS DETAIL

| (A) LOCATION CODE | (B) CITY CODE | (C) BUSINESS CODE | (D) DEDUCTION CODE | (E) DEDUCTION AMOUNT | (F) DESCRIPTION OF DEDUCTION CODE |
|-------------------------|---------------------|-------------------------|--------------------------|-------------------------|---|
| 1 | | | | \$ | |
| 2 | | | | \$ | |
| 3 | | | | \$ | |
| 4 | | | | \$ | |
| 5 | | | | \$ | |
| 6 | | | | \$ | |
| 7 | | | | \$ | |
| 8 | | | | \$ | |
| 9 | | | | \$ | |
| 10 | | | | \$ | |
| 11 | | | | \$ | |
| 12 | | | | \$ | |
| 13 | | | | \$ | |
| 14 | | | | \$ | |
| 15 | | | | \$ | |
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| 17 | | | | \$ | |
| 18 | | | | \$ | |
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| 25 | | | | \$ | |
| 26 | | | | \$ | |
| 27 | | | | \$ | |
| 28 | | | | \$ | |
| 29 | | | | \$ | |
| 30 | | | | \$ | |
| 31 | | | | \$ | |
| 32 | | | | \$ | |
| 33 | | | | \$ | |
| 34 | | | | \$ | |
| 35 | | | | \$ | |

AA SUBTOTAL OF DEDUCTIONS.....

BB DEDUCTION TOTALS FROM ADDITIONAL CITY PAGE(S).....

CC TOTAL DEDUCTIONS (LINE AA + LINE BB = LINE CC).....

TOTAL MUST EQUAL TOTAL ON PAGE 3, LINE PP, COLUMN G

ADOR 10872 (5/15)

FINAL