

ATRA SUPPORTS HB2336

City Tax Code; Official Copy

Arizona's transaction privilege tax (TPT) is complicated and one of the main reasons for that is because the cities have a separate tax code from the state. While the TPT base for the state and the counties is codified in state statute, the cities operate under the Model City Tax Code (MCTC), which is not codified in the state code. Even under the MCTC, the tax base varies among the different cities. Although amendments to the code must be approved by the Model Tax Code Commission (MTCC), cities and towns may set their own tax rates without approval from the MTCC.

Currently, the League of Arizona Cities & Towns, a non-profit organization, maintains the MCTC and updates it on a quarterly basis, regardless of the timing associated with any changes to the code or to tax rates. As a result, the code is neither reliable nor accurate for taxpayer's to comply with their TPT obligations. In fact, the League of Arizona Cities & Towns states in the introduction of the MCTC that "Although the information is correct to the best of our knowledge, we cannot guarantee nor can we be responsible for its accuracy."

In order to increase the accuracy and timing of changes to the MCTC, HB2336 requires the Arizona Department of Revenue to maintain the official copy of the MCTC and to post the document on its website. Additionally, any changes to the code must be reflected in the MCTC within ten days of the change.

ATRA ASKS FOR YOUR SUPPORT OF HB2336!



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