

Sales/Use/Indirect:

Arizona: New Law Creates Certification Process for Third-Party Service Providers that Determine TPP Transaction Sourcing

H.B. 2382, signed by gov. 4/10/24. With respect to existing Arizona law requiring sellers of taxable products or services subject to Arizona transaction privilege tax (TPT) to centrally remit state and local TPT to the Arizona Department of Revenue (Department) and permitting the use of third-party services and software to meet these requirements, newly enacted legislation mandates that, by January 1, 2026, the Department create a voluntary certification process / program for third-party service providers that offer certain sourcing services for TPT purposes. Under the new law, a taxpayer may use a certified third-party service provider to assist the taxpayer in sourcing transactions involving tangible personal property. Those doing so generally would *not* be liable for failing to pay the correct amount of tax if the failure was due to an error in sourcing the transaction; rather in this instance, the certified third-party service provider would be liable for the amount of tax the taxpayer failed to pay – “unless the error was due to incorrect information the certified third-party service provider received from the Department.” Please contact us with any questions.

URL: <https://apps.azleg.gov/BillStatus/BillOverview/80236>

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