

REFERENCE TITLE: TPT; online lodging marketplace; reporting

State of Arizona  
House of Representatives  
Fifty-sixth Legislature  
Second Regular Session  
2024

## **HB 2554**

Introduced by  
Representatives Seaman: Contreras L, Contreras P, Gutierrez, Ortiz,  
Quiñonez, Schwiebert, Stahl Hamilton, Sun, Terech, Travers, Tsosie

AN ACT

AMENDING SECTIONS 42-2003, 42-5014 AND 42-6009, ARIZONA REVISED STATUTES;  
RELATING TO ONLINE LODGING MARKETPLACES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-2003, Arizona Revised Statutes, is amended to  
3 read:

4 42-2003. Authorized disclosure of confidential information

5 A. Confidential information relating to:

6 1. A taxpayer may be disclosed to the taxpayer, its successor in  
7 interest or a designee of the taxpayer who is authorized in writing by the  
8 taxpayer. A principal corporate officer of a parent corporation may  
9 execute a written authorization for a controlled subsidiary. If a  
10 taxpayer elects to file an Arizona small business income tax return under  
11 section 43-302, a written authorization by the taxpayer to allow the  
12 department to disclose personal income tax information to a designee  
13 includes the corresponding Arizona small business income tax return.

14 2. A corporate taxpayer may be disclosed to any principal officer,  
15 any person designated by a principal officer or any person designated in a  
16 resolution by the corporate board of directors or other similar governing  
17 body. If a corporate officer signs a statement under penalty of perjury  
18 representing that the officer is a principal officer, the department may  
19 rely on the statement until the statement is shown to be false. For the  
20 purposes of this paragraph, "principal officer" includes a chief executive  
21 officer, president, secretary, treasurer, vice president of tax, chief  
22 financial officer, chief operating officer or chief tax officer or any  
23 other corporate officer who has the authority to bind the taxpayer on  
24 matters related to state taxes.

25 3. A partnership may be disclosed to any partner of the  
26 partnership. This exception does not include disclosure of confidential  
27 information of a particular partner unless otherwise authorized.

28 4. A limited liability company may be disclosed to any member of  
29 the company or, if the company is manager-managed, to any manager.

30 5. An estate may be disclosed to the personal representative of the  
31 estate and to any heir, next of kin or beneficiary under the will of the  
32 decedent if the department finds that the heir, next of kin or beneficiary  
33 has a material interest that will be affected by the confidential  
34 information.

35 6. A trust may be disclosed to the trustee or trustees, jointly or  
36 separately, and to the grantor or any beneficiary of the trust if the  
37 department finds that the grantor or beneficiary has a material interest  
38 that will be affected by the confidential information.

39 7. A government entity may be disclosed to the head of the entity  
40 or a member of the governing board of the entity, or any employee of the  
41 entity who has been delegated the authorization in writing by the head of  
42 the entity or the governing board of the entity.

43 8. Any taxpayer may be disclosed if the taxpayer has waived any  
44 rights to confidentiality either in writing or on the record in any  
45 administrative or judicial proceeding.

1           9. The name and taxpayer identification numbers of persons issued  
2 direct payment permits may be publicly disclosed.

3           10. Any taxpayer may be disclosed during a meeting or telephone  
4 call if the taxpayer is present during the meeting or telephone call and  
5 authorizes the disclosure of confidential information.

6           B. Confidential information may be disclosed to:

7           1. Any employee of the department whose official duties involve tax  
8 administration.

9           2. The office of the attorney general solely for its use in  
10 preparation for, or in an investigation that may result in, any proceeding  
11 involving tax administration before the department or any other agency or  
12 board of this state, or before any grand jury or any state or federal  
13 court.

14           3. The department of liquor licenses and control for its use in  
15 determining whether a spirituous liquor licensee has paid all transaction  
16 privilege taxes and affiliated excise taxes incurred as a result of the  
17 sale of spirituous liquor, as defined in section 4-101, at the licensed  
18 establishment and imposed on the licensed establishments by this state and  
19 its political subdivisions.

20           4. Other state tax officials whose official duties require the  
21 disclosure for proper tax administration purposes if the information is  
22 sought in connection with an investigation or any other proceeding  
23 conducted by the official. Any disclosure is limited to information of a  
24 taxpayer who is being investigated or who is a party to a proceeding  
25 conducted by the official.

26           5. The following agencies, officials and organizations, if they  
27 grant substantially similar privileges to the department for the type of  
28 information being sought, pursuant to statute and a written agreement  
29 between the department and the foreign country, agency, state, Indian  
30 tribe or organization:

31           (a) The United States internal revenue service, alcohol and tobacco  
32 tax and trade bureau of the United States treasury, United States bureau  
33 of alcohol, tobacco, firearms and explosives of the United States  
34 department of justice, United States drug enforcement agency and federal  
35 bureau of investigation.

36           (b) A state tax official of another state.

37           (c) An organization of states, federation of tax administrators or  
38 multistate tax commission that operates an information exchange for tax  
39 administration purposes.

40           (d) An agency, official or organization of a foreign country with  
41 responsibilities that are comparable to those listed in subdivision (a),  
42 (b) or (c) of this paragraph.

43           (e) An agency, official or organization of an Indian tribal  
44 government with responsibilities comparable to the responsibilities of the

1 agencies, officials or organizations identified in subdivision (a), (b) or  
2 (c) of this paragraph.

3 6. The auditor general, in connection with any audit of the  
4 department subject to the restrictions in section 42-2002, subsection D.

5 7. Any person to the extent necessary for effective tax  
6 administration in connection with:

7 (a) The processing, storage, transmission, destruction and  
8 reproduction of the information.

9 (b) The programming, maintenance, repair, testing and procurement  
10 of equipment for purposes of tax administration.

11 (c) The collection of the taxpayer's civil liability.

12 8. The office of administrative hearings relating to taxes  
13 administered by the department pursuant to section 42-1101, but the  
14 department shall not disclose any confidential information without the  
15 taxpayer's written consent:

16 (a) Regarding income tax or withholding tax.

17 (b) On any tax issue relating to information associated with the  
18 reporting of income tax or withholding tax.

19 9. The United States treasury inspector general for tax  
20 administration for the purpose of reporting a violation of internal  
21 revenue code section 7213A (26 United States Code section 7213A),  
22 unauthorized inspection of returns or return information.

23 10. The financial management service of the United States treasury  
24 department for use in the treasury offset program.

25 11. The United States treasury department or its authorized agent  
26 for use in the state income tax levy program and in the electronic federal  
27 tax payment system.

28 12. The Arizona commerce authority for its use in:

29 (a) Qualifying renewable energy operations for the tax incentives  
30 under section 42-12006.

31 (b) Qualifying businesses with a qualified facility for income tax  
32 credits under sections 43-1083.03 and 43-1164.04.

33 (c) Fulfilling its annual reporting responsibility pursuant to  
34 section 41-1512, subsections U and V and section 41-1517, subsection L.

35 (d) Certifying computer data centers for tax relief under section  
36 41-1519.

37 (e) Certifying applicants for the tax credit for motion picture  
38 production costs under sections 43-1082 and 43-1165.

39 13. A prosecutor for purposes of section 32-1164, subsection C.

40 14. The office of the state fire marshal for use in determining  
41 compliance with and enforcing title 37, chapter 9, article 5.

42 15. The department of transportation for its use in administering  
43 taxes, surcharges and penalties prescribed by title 28.

44 16. The Arizona health care cost containment system administration  
45 for its use in administering nursing facility provider assessments.

1           17. The department of administration risk management division and  
2 the office of the attorney general if the information relates to a claim  
3 against this state pursuant to section 12-821.01 involving the department  
4 of revenue.

5           18. Another state agency if the taxpayer authorizes the disclosure  
6 of confidential information in writing, including an authorization that is  
7 part of an application form or other document submitted to the agency.

8           19. The department of economic security for its use in determining  
9 whether an employer has paid all amounts due under the unemployment  
10 insurance program pursuant to title 23, chapter 4.

11           20. The department of health services for its use in determining  
12 the following:

13           (a) Whether a medical marijuana dispensary is in compliance with  
14 the tax requirements of chapter 5 of this title for the purposes of  
15 section 36-2806, subsection A.

16           (b) Whether a marijuana establishment, marijuana testing facility  
17 or dual licensee licensed under title 36, chapter 28.2 is in compliance  
18 with the tax obligations under this title or title 43.

19           21. The Arizona department of agriculture for the purpose of  
20 ascertaining compliance with the licensing provisions in title 3.

21           22. The office of economic opportunity for the purpose of  
22 performing the duties and obligations to or on behalf of this state  
23 prescribed by title 41, chapter 53.

24           C. Confidential information may be disclosed in any state or  
25 federal judicial or administrative proceeding pertaining to tax  
26 administration pursuant to the following conditions:

27           1. One or more of the following circumstances must apply:

28           (a) The taxpayer is a party to the proceeding.

29           (b) The proceeding arose out of, or in connection with, determining  
30 the taxpayer's civil or criminal liability, or the collection of the  
31 taxpayer's civil liability, with respect to any tax imposed under this  
32 title or title 43.

33           (c) The treatment of an item reflected on the taxpayer's return is  
34 directly related to the resolution of an issue in the proceeding.

35           (d) Return information directly relates to a transactional  
36 relationship between a person who is a party to the proceeding and the  
37 taxpayer and directly affects the resolution of an issue in the  
38 proceeding.

39           2. Confidential information may not be disclosed under this  
40 subsection if the disclosure is prohibited by section 42-2002, subsection  
41 C or D.

42           D. Identity information may be disclosed for purposes of notifying  
43 persons entitled to tax refunds if the department is unable to locate the  
44 persons after reasonable effort.

1 E. The department, on the request of any person, shall provide the  
2 names and addresses of bingo licensees as defined in section 5-401, verify  
3 whether or not a person has a privilege license and number, a tobacco  
4 product distributor's license and number or a withholding license and  
5 number or disclose the information to be posted on the department's  
6 website or otherwise publicly accessible pursuant to section 42-1124,  
7 subsection F and section 42-3401.

8 F. A department employee, in connection with the official duties  
9 relating to any audit, collection activity or civil or criminal  
10 investigation, may disclose return information to the extent that  
11 disclosure is necessary to obtain information that is not otherwise  
12 reasonably available. These official duties include the correct  
13 determination of and liability for tax, the amount to be collected or the  
14 enforcement of other state tax revenue laws.

15 G. Confidential information relating to transaction privilege tax,  
16 use tax, severance tax, jet fuel excise and use tax and any other tax  
17 collected by the department on behalf of any jurisdiction may be disclosed  
18 to any county, city or town tax official if the information relates to a  
19 taxpayer who is or may be taxable by a county, city or town or who may be  
20 subject to audit by the department pursuant to section 42-6002. Any  
21 taxpayer information that is released by the department to the county,  
22 city or town:

23 1. May be used only for internal purposes, including audits. If  
24 there is a legitimate business need relating to enforcing laws,  
25 regulations and ordinances pursuant to section 9-500.39 or 11-269.17, a  
26 county, city or town tax official may redisclose transaction privilege tax  
27 information relating to a vacation rental or short-term rental property  
28 owner or online lodging operator from the new license report and license  
29 update report, subject to the following:

30 (a) The information redisclosed is limited to the following:

31 (i) The transaction privilege tax license number.

32 (ii) The type of organization or ownership of the business.

33 (iii) The legal business name and doing business as name, if  
34 different from the legal name.

35 (iv) The business mailing address, tax record physical location  
36 address, telephone number, email address and fax number.

37 (v) The date the business started in this state, the business  
38 description and the North American industry classification system code.

39 (vi) The name, address and telephone number for each owner,  
40 partner, corporate officer, member, managing member or official of the  
41 employing unit.

42 (b) Redisclosure is limited to nonelected officials in other units  
43 within the county, city or town. The information may not be redisclosed  
44 to an elected official or the elected official's staff.

1 (c) All redisclosures of confidential information made pursuant to  
2 this paragraph are subject to paragraph 2 of this subsection.

3 2. May not be disclosed to the public in any manner that does not  
4 comply with confidentiality standards established by the department. The  
5 county, city or town shall agree in writing with the department that any  
6 release of confidential information that violates the confidentiality  
7 standards adopted by the department will result in the immediate  
8 suspension of any rights of the county, city or town to receive taxpayer  
9 information under this subsection.

10 H. The department may disclose statistical information gathered  
11 from confidential information if it does not disclose confidential  
12 information attributable to any one taxpayer. The department may disclose  
13 statistical information gathered from confidential information, even if it  
14 discloses confidential information attributable to a taxpayer, to:

15 1. The state treasurer in order to comply with the requirements of  
16 section 42-5029, subsection A, paragraph 3.

17 2. The joint legislative income tax credit review committee, the  
18 joint legislative budget committee staff and the legislative staff in  
19 order to comply with the requirements of section 43-221.

20 I. The department may disclose the aggregate amounts of any tax  
21 credit, tax deduction or tax exemption enacted after January 1, 1994.  
22 Information subject to disclosure under this subsection shall not be  
23 disclosed if a taxpayer demonstrates to the department that such  
24 information would give an unfair advantage to competitors.

25 J. Except as provided in section 42-2002, subsection C,  
26 confidential information, described in section 42-2001, paragraph 1,  
27 subdivision (a), item (ii), may be disclosed to law enforcement agencies  
28 for law enforcement purposes.

29 K. The department may provide transaction privilege tax license  
30 information to property tax officials in a county for the purpose of  
31 identification and verification of the tax status of commercial property.

32 L. The department may provide transaction privilege tax, luxury  
33 tax, use tax, property tax and severance tax information to the  
34 ombudsman-citizens aide pursuant to title 41, chapter 8, article 5.

35 M. Except as provided in section 42-2002, subsection D, a court may  
36 order the department to disclose confidential information pertaining to a  
37 party to an action. An order shall be made only on a showing of good  
38 cause and that the party seeking the information has made demand on the  
39 taxpayer for the information.

40 N. This section does not prohibit the disclosure by the department  
41 of any information or documents submitted to the department by a bingo  
42 licensee. Before disclosing the information, the department shall obtain  
43 the name and address of the person requesting the information.

1           O. If the department is required or allowed to disclose  
2 confidential information, it may charge the person or agency requesting  
3 the information for the reasonable cost of its services.

4           P. Except as provided in section 42-2002, subsection D, the  
5 department of revenue shall release confidential information as requested  
6 by the department of economic security pursuant to section 42-1122 or  
7 46-291. Information disclosed under this subsection is limited to the  
8 same type of information that the United States internal revenue service  
9 is authorized to disclose under section 6103(l)(6) of the internal revenue  
10 code.

11           Q. Except as provided in section 42-2002, subsection D, the  
12 department shall release confidential information as requested by the  
13 courts and clerks of the court pursuant to section 42-1122.

14           R. To comply with the requirements of section 42-5031, the  
15 department may disclose to the state treasurer, to the county stadium  
16 district board of directors and to any city or town tax official that is  
17 part of the county stadium district confidential information attributable  
18 to a taxpayer's business activity conducted in the county stadium  
19 district.

20           S. The department shall release to the attorney general  
21 confidential information as requested by the attorney general for purposes  
22 of determining compliance with or enforcing any of the following:

23           1. Any public health control law relating to tobacco sales as  
24 provided under title 36, chapter 6, article 14.

25           2. Any law relating to reduced cigarette ignition propensity  
26 standards as provided under title 37, chapter 9, article 5.

27           3. Sections 44-7101 and 44-7111, the master settlement agreement  
28 referred to in those sections and all agreements regarding disputes under  
29 the master settlement agreement.

30           T. For proceedings before the department, the office of  
31 administrative hearings, the state board of tax appeals or any state or  
32 federal court involving penalties that were assessed against a return  
33 preparer, an electronic return preparer or a payroll service company  
34 pursuant to section 42-1103.02, 42-1125.01 or 43-419, confidential  
35 information may be disclosed only before the judge or administrative law  
36 judge adjudicating the proceeding, the parties to the proceeding and the  
37 parties' representatives in the proceeding prior to its introduction into  
38 evidence in the proceeding. The confidential information may be  
39 introduced as evidence in the proceeding only if the taxpayer's name, the  
40 names of any dependents listed on the return, all social security numbers,  
41 the taxpayer's address, the taxpayer's signature and any attachments  
42 containing any of the foregoing information are redacted and if either:

43           1. The treatment of an item reflected on such a return is or may be  
44 related to the resolution of an issue in the proceeding.



1           2. Such a return or the return information relates or may relate to  
2 a transactional relationship between a person who is a party to the  
3 proceeding and the taxpayer that directly affects the resolution of an  
4 issue in the proceeding.

5           3. The method of payment of the taxpayer's withholding tax  
6 liability or the method of filing the taxpayer's withholding tax return is  
7 an issue for the period.

8           U. The department and attorney general may share the information  
9 specified in subsection S of this section with any of the following:

10           1. Federal, state or local agencies located in this state for the  
11 purposes of enforcement of the statutes or agreements specified in  
12 subsection S of this section or for the purposes of enforcement of  
13 corresponding laws of other states.

14           2. Indian tribes located in this state for the purposes of  
15 enforcement of the statutes or agreements specified in subsection S of  
16 this section.

17           3. A court, arbitrator, data clearinghouse or similar entity for  
18 the purpose of assessing compliance with or making calculations required  
19 by the master settlement agreement or agreements regarding disputes under  
20 the master settlement agreement, and with counsel for the parties or  
21 expert witnesses in any such proceeding, if the information otherwise  
22 remains confidential.

23           V. The department may provide the name and address of qualifying  
24 hospitals and qualifying health care organizations, as defined in section  
25 42-5001, to a business that is classified and reporting transaction  
26 privilege tax under the utilities classification.

27           W. The department may disclose to an official of any city, town or  
28 county in a current agreement or considering a prospective agreement with  
29 the department as described in section 42-5032.02, subsection G any  
30 information relating to amounts that are subject to distribution and that  
31 are required by section 42-5032.02. Information disclosed by the  
32 department under this subsection:

33           1. May be used only by the city, town or county for internal  
34 purposes.

35           2. May not be disclosed to the public in any manner that does not  
36 comply with confidentiality standards established by the department. The  
37 city, town or county must agree with the department in writing that any  
38 release of confidential information that violates the confidentiality  
39 standards will result in the immediate suspension of any rights of the  
40 city, town or county to receive information under this subsection.

41           ~~X. Notwithstanding any other provision of this section, the~~  
42 ~~department may not disclose information provided by an online lodging~~  
43 ~~marketplace, as defined in section 42-5076, without the written consent of~~  
44 ~~the online lodging marketplace, and the information may be disclosed only~~  
45 ~~pursuant to subsection A, paragraphs 1 through 6, 8 and 10, subsection B,~~

1 ~~paragraphs 1, 2, 7 and 8 and subsections C, D and G of this section. Such~~  
2 ~~information:~~

3 ~~1. Is not subject to disclosure pursuant to title 39, relating to~~  
4 ~~public records.~~

5 ~~2. May not be disclosed to any agency of this state or of any~~  
6 ~~county, city, town or other political subdivision of this state.~~

7 Sec. 2. Section 42-5014, Arizona Revised Statutes, is amended to  
8 read:

9 42-5014. Return and payment of tax; estimated tax;  
10 extensions; abatements; definitions

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

13 1. Are due and payable monthly in the form required by section  
14 42-5018 for the amount of the tax, to the department, on or before the  
15 twentieth day of the month next succeeding the month in which the tax  
16 accrues.

17 2. Are delinquent as follows:

18 (a) For taxpayers that are required or elect to file and pay  
19 electronically in any month, if not received by the department on or  
20 before the last business day of the month.

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

23 B. The department, for any taxpayer whose estimated annual  
24 liability for taxes imposed or administered by this article or chapter 6  
25 of this title is between \$2,000 and \$8,000, shall authorize the taxpayer  
26 to pay the taxes on a quarterly basis. The department, for any taxpayer  
27 whose estimated annual liability for taxes imposed by this article is less  
28 than \$2,000, shall authorize the taxpayer to pay the taxes on an annual  
29 basis. For the purposes of this subsection, the taxes due under this  
30 article:

31 1. For taxpayers that are authorized to pay on a quarterly basis,  
32 are due and payable monthly in the form required by section 42-5018 for  
33 the amount of the tax, to the department, on or before the twentieth day  
34 of the month next succeeding the quarter in which the tax accrues.

35 2. For taxpayers that are authorized to pay on an annual basis, are  
36 due and payable monthly in the form required by section 42-5018 for the  
37 amount of the tax, to the department, on or before the twentieth day of  
38 January next succeeding the year in which the tax accrues.

39 3. Are delinquent as follows:

40 (a) For taxpayers that are required or elect to file and pay  
41 electronically in any quarter, if not received by the department on or  
42 before the last business day of the month.

43 (b) For all other taxpayers that are required to file and pay  
44 quarterly, if not received by the department on or before the business day  
45 preceding the last business day of the month.

1 (c) For taxpayers that are required or elect to file and pay  
2 electronically on an annual basis, if not received by the department on or  
3 before the last business day of January.

4 (d) For all other taxpayers that are required to file and pay  
5 annually, if not received by the department on or before the business day  
6 preceding the last business day of January.

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

17 D. If the business entity under which a taxpayer reports and pays  
18 income tax under title 43 has an annual total tax liability under this  
19 article, article 6 of this chapter and chapter 6, article 3 of this title  
20 of \$1,000,000 or more in 2019, \$1,600,000 or more in 2020, \$2,300,000 or  
21 more in 2021, \$3,100,000 or more in 2022 or \$4,100,000 or more in 2023 and  
22 each year thereafter, based on the actual tax liability in the preceding  
23 calendar year, regardless of the number of offices at which the taxes  
24 imposed by this article, article 6 of this chapter or chapter 6, article 3  
25 of this title are collected, or if the taxpayer can reasonably anticipate  
26 such liability in the current year, the taxpayer shall report on a form  
27 prescribed by the department and pay an estimated tax payment each June.  
28 Any other taxpayer may voluntarily elect to pay the estimated tax payment  
29 pursuant to this subsection. The payment shall be made on or before  
30 June 20 in the same manner as the taxpayer is required to make regular  
31 payments and is delinquent if not received by the department on or before  
32 the last business day of June if the taxpayer is required to make the  
33 payment by electronic means, is delinquent on or before the business day  
34 preceding the last business day of June for those taxpayers allowed to  
35 file by mail or is delinquent if not received by the department on the  
36 business day preceding the last business day of June for those taxpayers  
37 allowed to file in person. The estimated tax paid shall be credited  
38 against the taxpayer's tax liability under this article, article 6 of this  
39 chapter and chapter 6, article 3 of this title for the month of June for  
40 the current calendar year. The estimated tax payment shall equal either:

41 1. One-half of the actual tax liability under this article plus  
42 one-half of any tax liability under article 6 of this chapter and chapter  
43 6, article 3 of this title for May of the current calendar year.

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

4           E. An online lodging marketplace, as defined in section 42-5076,  
5 that is registered with the department pursuant to section 42-5005,  
6 subsection L:

7           1. Shall remit to the department the applicable taxes payable  
8 pursuant to section 42-5076 and chapter 6 of this title with respect to  
9 each online lodging transaction, as defined in section 42-5076,  
10 facilitated by the online lodging marketplace.

11           2. Shall report the taxes monthly and remit the aggregate total  
12 amounts for each of the respective taxing jurisdictions.

13           3. Shall ~~not be required to~~ list **ON THE RETURN OR ON AN ATTACHMENT**  
14 **TO THE RETURN THE FOLLOWING INFORMATION FOR EACH ONLINE LODGING**  
15 **TRANSACTION, AS DEFINED IN SECTION 42-5076:**

16           (a) **THE TRANSACTION PRIVILEGE TAX LICENSE NUMBER.**

17           (b) **THE PROPERTY ADDRESS.**

18           (c) **THE AMOUNT OF TAX COLLECTED ON BEHALF OF** ~~or otherwise identify~~  
19 ~~any~~ **THE** individual online lodging operator, as defined in section  
20 42-5076, ~~on any return or any attachment to a return.~~

21           F. A person who is licensed pursuant to title 32, chapter 20 and  
22 who is licensed with the department pursuant to section 42-5005,  
23 subsection M shall:

24           1. File a consolidated return monthly with respect to all managed  
25 properties for which the licensee files an electronic consolidated tax  
26 return pursuant to section 42-6013.

27           2. Remit to the department the aggregate total amount of the  
28 applicable taxes payable pursuant to this chapter and chapter 6 of this  
29 title for all of the respective taxing jurisdictions with respect to the  
30 managed properties.

31           G. A peer-to-peer car sharing program that is licensed by the  
32 department pursuant to section 42-5005, subsection N:

33           1. Shall electronically remit to the department the applicable  
34 taxes pursuant to section 42-5071 and chapter 6 of this title and any  
35 additional taxes, fees or charges on the gross proceeds or gross income of  
36 a shared vehicle transaction, subject to the limitations in section  
37 28-9616, and, if the peer-to-peer car sharing program allows owners of  
38 vehicles that are not individual-owned shared vehicles to use the  
39 peer-to-peer car sharing program, applicable surcharges pursuant to  
40 sections 5-839 and 48-4234.

41           2. Shall electronically report the taxes monthly and remit the  
42 aggregate total amounts for each respective taxing jurisdiction.

43           3. Is not required to list or otherwise identify an  
44 individual-owned shared vehicle on any return or any attachment to a  
45 return. The peer-to-peer car sharing program shall retain surcharge and

1 tax information for each peer-to-peer car sharing program transaction and  
2 shall provide the information to the department at the department's  
3 request.

4 H. The remittance of transaction privilege tax and any other tax  
5 applicable to a shared vehicle transaction by a peer-to-peer car sharing  
6 program fully satisfies any obligation of a shared vehicle owner to remit  
7 any taxes applicable to the shared vehicle transaction.

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

20 J. Any person who is taxable under this article and who makes cash  
21 and credit sales shall report the cash and credit sales separately and may  
22 apply for and obtain from the department an extension of time to pay taxes  
23 due on the credit sales. The department shall grant the extension under  
24 such rules as the department prescribes. When the extension is granted,  
25 the taxpayer shall thereafter include in each monthly report all  
26 collections made on such credit sales during the month next preceding and  
27 shall pay the taxes due at the time of filing such a report.

28 K. The returns required under this article shall be made on forms  
29 prescribed by the department and shall capture data with sufficient  
30 specificity to meet the needs of all taxing jurisdictions.

31 L. Any person who is engaged in or conducting business in two or  
32 more locations or under two or more business names shall file the return  
33 required under this article using an electronic filing program established  
34 by the department.

35 M. For taxable periods beginning from and after December 31, 2017,  
36 any taxpayer with an annual total tax liability under this chapter and  
37 chapter 6 of this title of \$20,000 or more, based on the actual tax  
38 liability in the preceding calendar year, regardless of the number of  
39 offices at which the taxes imposed by this chapter or chapter 6 of this  
40 title are collected, or a taxpayer that can reasonably anticipate that  
41 liability in the current year, shall file the return required under this  
42 article using an electronic filing program established by the department.

43 N. For taxable periods beginning from and after December 31, 2018,  
44 any taxpayer with an annual total tax liability under this chapter and  
45 chapter 6 of this title of \$10,000 or more, based on the actual tax

1 liability in the preceding calendar year, regardless of the number of  
2 offices at which the taxes imposed by this chapter or chapter 6 of this  
3 title are collected, or a taxpayer that can reasonably anticipate that  
4 liability in the current year, shall file the return required under this  
5 article using an electronic filing program established by the department.

6 O. For taxable periods beginning from and after December 31, 2019,  
7 any taxpayer with an annual total tax liability under this chapter and  
8 chapter 6 of this title of \$5,000 or more, based on the actual tax  
9 liability in the preceding calendar year, regardless of the number of  
10 offices at which the taxes imposed by this chapter or chapter 6 of this  
11 title are collected, or a taxpayer that can reasonably anticipate that  
12 liability in the current year, shall file the return required under this  
13 article using an electronic filing program established by the department.

14 P. For taxable periods beginning from and after December 31, 2020,  
15 any taxpayer with an annual total tax liability under this chapter and  
16 chapter 6 of this title of \$500 or more, based on the actual tax liability  
17 in the preceding calendar year, regardless of the number of offices at  
18 which the taxes imposed by this chapter or chapter 6 of this title are  
19 collected, or a taxpayer that can reasonably anticipate that liability in  
20 the current year, shall file the return required under this article using  
21 an electronic filing program established by the department.

22 Q. Any taxpayer that is required to report and pay using an  
23 electronic filing program established by the department may apply to the  
24 director, on a form prescribed by the department, for an annual waiver  
25 from the electronic filing requirement. The director may grant a waiver,  
26 which may be renewed, if any of the following applies:

- 27 1. The taxpayer has no computer.
- 28 2. The taxpayer has no internet access.
- 29 3. Any other circumstance considered to be worthy by the director  
30 exists.

31 R. A waiver is not required if the return cannot be electronically  
32 filed for reasons beyond the taxpayer's control, including situations in  
33 which the taxpayer was instructed by either the internal revenue service  
34 or the department of revenue to file by paper.

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

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

43 U. For the purposes of subsection D of this section, "taxpayer"  
44 means the business entity under which the business reports and pays state  
45 income taxes regardless of the number of offices at which the taxes

1 imposed by this article, article 6 of this chapter or chapter 6, article 3  
2 of this title are collected.

3 V. For the purposes of this section, "individual-owned shared  
4 vehicle", "peer-to-peer car sharing program", "shared vehicle owner" and  
5 "shared vehicle transaction" have the same meanings prescribed in section  
6 28-9601.

7 Sec. 3. Section 42-6009, Arizona Revised Statutes, is amended to  
8 read:

9 42-6009. Online lodging; definitions

10 A. Except as provided by this section, a city, town or other taxing  
11 jurisdiction may not levy a transaction privilege, sales, use, franchise  
12 or other similar tax or fee, however denominated, on the business of  
13 operating an online lodging marketplace or, in the case of an online  
14 lodging marketplace that is licensed pursuant to section 42-5005,  
15 subsection L, on any online lodging transaction facilitated by the online  
16 lodging marketplace or on any online lodging operator with respect to any  
17 online lodging transaction for which it has received documentation that  
18 the online lodging marketplace has remitted or will remit the applicable  
19 tax to the department pursuant to section 42-5014, subsection E.

20 B. In the case of an online lodging marketplace that is licensed  
21 pursuant to section 42-5005, subsection L, a city, town or other taxing  
22 jurisdiction may levy a transaction privilege, sales, use, franchise or  
23 other similar tax or fee on an online lodging marketplace from any  
24 activity subject to tax under the model city tax code, with the tax base  
25 for an online **LODGING** marketplace being limited pursuant to section  
26 42-5076, subject to the following conditions:

27 1. The city, town or other taxing jurisdiction tax must be  
28 administered in a manner that is uniform with the treatment of online  
29 lodging marketplaces, online lodging operators and online lodging  
30 transactions provided by chapter 5 of this title, except that:

31 (a) The city, town or other taxing jurisdiction tax rate may be  
32 different from the state tax rate prescribed by section 42-5010.

33 (b) The city, town or other taxing jurisdiction tax may apply to  
34 online lodging transactions involving rentals of lodging accommodations in  
35 the city, town or other taxing jurisdiction for more than twenty-nine  
36 consecutive days. With respect to any tax on rentals of lodging  
37 accommodations for more than twenty-nine consecutive days, in the case of  
38 an online lodging marketplace that has registered pursuant to section  
39 42-5005, subsection L, the city, town or other taxing jurisdiction tax  
40 must uniformly apply to all lodging accommodations in the city, town or  
41 other taxing jurisdiction for thirty consecutive days or more, and the tax  
42 base for the tax must be limited exclusively to online lodging  
43 transactions facilitated by an online lodging marketplace for rentals of  
44 lodging accommodations for thirty consecutive days or more and located in  
45 the applicable city, town or other taxing jurisdiction.

1           2. The city, town or other taxing jurisdiction tax shall be  
2 administered, collected and enforced by the department and distributed to  
3 the city, town or other taxing jurisdiction in a uniform manner.  
4           3. The city, town or other taxing jurisdiction tax imposed on  
5 online lodging marketplaces and online lodging operators must be uniform  
6 with all other taxpayers engaging in the same activity within the  
7 jurisdictional boundaries of the city, town or other taxing jurisdiction.  
8           4. Any city, town or other taxing jurisdiction tax is subject to:  
9           (a) Section 42-6002, relating to audits.  
10           ~~(b) Section 42-2003, subsection X, relating to confidential~~  
11 ~~information.~~  
12           ~~(c)~~ (b) Section 42-5003, subsection B, relating to judicial  
13 enforcement.  
14           ~~(d)~~ (c) Section 42-5005, subsection L, relating to registration of  
15 online lodging marketplaces.  
16           ~~(e)~~ (d) Section 42-5014, subsection E, relating to tax returns.  
17           5. The city, town or other taxing jurisdiction tax may not be  
18 collected from an online lodging operator with respect to any online  
19 lodging transaction or transactions for which the online lodging operator  
20 has received written notice or documentation from a registered online  
21 lodging marketplace that it has remitted or will remit the applicable  
22 city, town or other taxing jurisdiction tax with respect to those  
23 transactions to the department pursuant to section 42-5014, subsection E.  
24           C. For the purposes of this section, "lodging accommodations",  
25 "online lodging marketplace", "online lodging operator" and "online  
26 lodging transaction" have the same meanings prescribed in section 42-5076.