

Morrison Clark & Conover

CPAs

AZ TPT (Sales) Tax Forms & Use

This is the MCC *Best Practice* for contractors in Arizona:

What are the AZ State Forms and what are They Used for?

Form **5000** – **TPT Exemption Certificate** - Used by a Purchaser/Contractor and given to a Vendor stating that the items being bought are exempt from sales taxes at point of purchase. For single and multiple transactions.

Form **5000A** – **Resale Certificate** – Prepared by a Purchaser/Contractor and given to a Vendor that the item(s) being purchased are for resale and exempt from sales taxes at point of purchase. For single transactions.

Form **5005** – **Prime Contractor's Certificate** - Used by a “Prime Contractor” to, generally, inform all Subcontractors working on the contract that the purchase of materials are exempt from sales taxes at point of purchase. The term “Modification” applies to Prime contracting.

Form **5006** – **TPT Overhead Exemption – Federal Contracts** - Used by a **M**(aintenance) **R**(epair) **R**(eplacement) **A**(iteration) contractor to exempt a % of qualified purchases of overhead materials under contract with the US Government with appropriate title passing clauses.

Form **5009L** – **Contractor's Certificate** – Prepared by Prime contractor and submitted to the AZ Department of Revenue for approval. The form, once approved, is given to Subcontractors who do NOT hold a TPT number. This certificate is provided by Subcontractors to Vendors to exempt sales taxes on materials acquired at the point of purchase to be used solely on the Prime contract.

Form **TPT-ES** – **Annual Estimated Payment Form for TPT** – Prepayment form for contractors who have annual liabilities in excess of \$1 million. Arizona requires that either ½ the payment of May or the actual taxes due for the first 15 days of June be paid as an estimate by June 30th of each year.

BEST PRACTICES:

General Contractors – Inform your subcontractors that all 2015 and after contract work is considered to be MRRA. Give the completed Form 5005/5009L to subcontractors on a contract by contract basis (or change order by change order basis) when the contract/change order meets the “Prime” definition.

Subcontractors – You must consider yourself to first be a MRRA contractor. Only when you are provided or obtain a Form 5005/5009L informing you that the contract meets the “Prime” definition do you consider yourself to be MRRA.

MRRA=Pay sales taxes on purchase of materials. Do NOT invoice for Sales Taxes.

Subcontractor working on a Prime Contract=Do NOT pay sales taxes on materials. Do NOT invoice for Sales Taxes.

MRRA – See the AZDOR website for current definitions & examples.

(This Page is prepared for informational purposes. You should seek professional assistance that relates to what you do and provide. This page does not address Retail sales and purchases of material for resale.)