

Senate Engrossed House Bill

TPT; sourcing; validation

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

HOUSE BILL 2382

AN ACT

AMENDING TITLE 42, CHAPTER 5, ARTICLE 1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 42-5040.01; RELATING TO TRANSACTION PRIVILEGE TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 42, chapter 5, article 1, Arizona Revised
3 Statutes, is amended by adding section 42-5040.01, to read:

4 42-5040.01. Sourcing of tangible personal property;
5 third-party service providers; certification

6 A. BEGINNING ON OR BEFORE JANUARY 1, 2026, THE DEPARTMENT SHALL
7 ESTABLISH A PROCESS BY WHICH A THIRD-PARTY PROVIDER THAT OFFERS SOURCING
8 SERVICES TO TAXPAYERS FOR TRANSACTIONS INVOLVING TANGIBLE PERSONAL
9 PROPERTY MAY BECOME CERTIFIED IN THIS STATE. A CERTIFIED THIRD-PARTY
10 SERVICE PROVIDER SHALL MEET ALL OF THE REQUIREMENTS ESTABLISHED BY THE
11 DEPARTMENT.

12 B. THE DIRECTOR SHALL:

13 1. SUPERVISE AND REGULATE ALL PERSONS REQUIRED BY THIS SECTION TO
14 OBTAIN CERTIFICATION.

15 2. ESTABLISH MINIMUM STANDARDS FOR CERTIFICATION AND A QUALITY
16 ASSURANCE PROGRAM FOR AUTHORIZED THIRD PARTIES TO ENSURE THAT A CERTIFIED
17 THIRD-PARTY SERVICE PROVIDER IS COMPLYING WITH THE MINIMUM STANDARDS.

18 3. POST A LIST OF CERTIFIED THIRD-PARTY SERVICE PROVIDERS ON THE
19 DEPARTMENT'S WEBSITE.

20 4. ADOPT RULES TO ADMINISTER AND ENFORCE THIS SECTION.

21 C. THE DIRECTOR MAY:

22 1. INVESTIGATE AND AUDIT THIRD-PARTY SERVICE PROVIDERS AS NECESSARY
23 TO ENSURE COMPLIANCE WITH THIS SECTION.

24 2. REQUIRE THAT A CERTIFIED THIRD-PARTY SERVICE PROVIDER OR ANY
25 EMPLOYEES OR AGENTS OF THE CERTIFIED THIRD-PARTY SERVICE PROVIDER BE
26 CERTIFIED BY THE DEPARTMENT TO PERFORM CERTAIN FUNCTIONS.

27 D. A PERSON MAY APPLY TO THE DEPARTMENT TO BE A CERTIFIED
28 THIRD-PARTY SERVICE PROVIDER ON A FORM PRESCRIBED AND FURNISHED BY THE
29 DIRECTOR. THE PERSON SHALL INCLUDE WITH THE APPLICATION ALL DOCUMENTS AND
30 FEES PRESCRIBED BY THE DIRECTOR. THE APPLICATION SHALL CONTAIN, AT A
31 MINIMUM:

32 1. THE NAME, TELEPHONE NUMBER AND ADDRESS OF THE APPLICANT AND
33 PRIMARY CONTACT PERSON.

34 2. VERIFICATION THAT THE APPLICANT MEETS THE REQUIREMENTS
35 PRESCRIBED BY THE DIRECTOR.

36 3. OTHER INFORMATION THE DIRECTOR REQUIRES.

37 E. A TAXPAYER MAY USE A CERTIFIED THIRD-PARTY SERVICE PROVIDER TO
38 ASSIST THE TAXPAYER IN SOURCING TRANSACTIONS INVOLVING TANGIBLE PERSONAL
39 PROPERTY. A TAXPAYER THAT USES A CERTIFIED THIRD-PARTY PROVIDER FOR
40 SOURCING TRANSACTIONS INVOLVING TANGIBLE PERSONAL PROPERTY IS NOT LIABLE
41 FOR FAILING TO PAY THE CORRECT AMOUNT OF TAX DUE TO AN ERROR IN SOURCING
42 THE TRANSACTION. THE TAXPAYER IS LIABLE FOR FAILING TO PAY THE CORRECT
43 AMOUNT OF TAX IF THE FAILURE TO PAY THE CORRECT AMOUNT OF TAX WAS DUE TO

1 AN ERROR OTHER THAN AN ERROR IN SOURCING THE TRANSACTION. A CERTIFIED
2 THIRD-PARTY SERVICE PROVIDER IS LIABLE FOR THE AMOUNT OF TAX THE TAXPAYER
3 FAILED TO PAY IF THE FAILURE TO PAY THE CORRECT AMOUNT OF TAX WAS DUE TO
4 AN ERROR IN SOURCING THE TRANSACTION, UNLESS THE ERROR WAS DUE TO
5 INCORRECT INFORMATION THE CERTIFIED THIRD-PARTY SERVICE PROVIDER RECEIVED
6 FROM THE DEPARTMENT.