

REFERENCE TITLE: TPT; sourcing; business location; receipt

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HB 2290

Introduced by
Representative Olson

AN ACT

AMENDING SECTION 42-5040, ARIZONA REVISED STATUTES; 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. Section 42-5040, Arizona Revised Statutes, is amended to
3 read:
4 42-5040. Sourcing of certain transactions involving tangible
5 personal property; definitions
6 A. Except as provided in section 42-5075, retail sales of tangible
7 personal property shall be sourced as follows:
8 1. To the seller's business location if the seller receives the
9 order at a business location in this state.
10 2. Except as provided in section 42-5008.01, to the purchaser's
11 location in this state if the seller receives the order at a business
12 location outside this state or, if there is no delivery address, to the
13 purchaser's billing address.
14 B. A shared vehicle transaction shall be sourced as follows:
15 1. To the permanent street address of the registered shared vehicle
16 owner if the shared vehicle is registered in this state.
17 2. To the street address in this state where the shared vehicle
18 owner resides while in this state if the shared vehicle is registered in
19 another state or country.
20 3. To the location of the shared vehicle at the car sharing start
21 time if the shared vehicle owner does not reside in this state and the
22 shared vehicle is registered in another state or country.
23 C. For the purposes of subsection A of this section, an order is
24 received when all of the information necessary to accept the order has
25 been received by or on behalf of the seller **AT A BUSINESS LOCATION OF THE**
26 **SELLER**, regardless of where the order is accepted or approved. The place
27 of business or residence of the purchaser **OR THE LOCATION OF SERVERS USED**
28 **TO TRANSMIT THE INFORMATION NECESSARY TO ACCEPT THE ORDER TO A BUSINESS**
29 **LOCATION** does not determine where the order is received.
30 D. The gross receipts from leasing or renting tangible personal
31 property shall be sourced as follows:
32 1. To the lessor's business location if the lessor has a business
33 location in this state.
34 2. To the lessee's address if the lessor does not have a business
35 location in this state or, if there is no lessee's address, to the
36 lessee's billing address. The gross receipts are taxable when the
37 property is shipped, delivered or otherwise brought into this state for
38 use in this state.
39 E. For the purposes of this section:
40 1. **"BUSINESS LOCATION" MEANS A PHYSICAL SPACE THAT A PERSON CAN**
41 **OCCUPY, SUCH AS AN OFFICE OR A ROOM IN A HOUSE, AND IN WHICH BUSINESS IS**
42 **CARRIED ON.**
43 ~~1.~~ 2. **"Car sharing start time"** has the same meaning prescribed in
44 section 28-9601.

1 ~~2.~~ 3. "Lessee's address" means the residential address of an
2 individual lessee and the primary business LOCATION address of any other
3 lessee.

4 ~~3.~~ 4. "Lessor's business location" means the business LOCATION
5 address that appears on the lessor's transaction privilege tax license.

6 ~~4.~~ 5. "Shared vehicle" has the same meaning prescribed in section
7 28-9601.

8 ~~5.~~ 6. "Shared vehicle owner" has the same meaning prescribed in
9 section 28-9601.

10 ~~6.~~ 7. "Shared vehicle transaction" has the same meaning prescribed
11 in section 28-9601.

12 Sec. 2. Applicability

13 This act applies to taxable periods beginning on or after the first
14 day of the month following the general effective date.