

Arizona Investor, Rental Property Tax Assessor Information

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In Arizona when a person lives (owner-occupied) in their personal residence the property is listed as a Class 3 property on the County Assessor records. However should the person decide to rent the property, from the first day that they collect rent on the property, the property becomes a Class 4 property (residential rental).

Arizona property owners are required by Arizona State Law, (section 33-1902), to register the rental property with the county assessor in the county where the property is located. Should an owner fail to register the rental property with the county assessor, the city may impose a civil penalty payable to the city in the amount of \$150.00 per day for each day of violation. The city may also impose enhanced inspection and enforcement measures on the property.

Some Arizona cities also require rental property owners (even if they only have 1 rental) to obtain a Transaction Privilege Tax License and to collect and pay the city sales tax each month. Failure to pay the applicable sales tax could result in a penalty or fine by the city.

There is no cost to register a rental property. Forms may be obtained at any County Assessor's Office. Pinal County Assessor information can be located on their website.

Properties owned by a corporation, partnership, or L.L.C. must designate a statutory agent. Owners who live outside of Arizona must also designate an agent who resides in Arizona to accept legal service on their behalf.

The rental property registration requirement is nothing new, but it seems to have been dusted off and is being talked about more in Arizona as of late. The measure was signed into law in 1999 and strengthens the hands of Arizona counties and cities in their ability to draft rental laws which govern landlords and tenants.

\$150.00 a day can add up fast for property owners who do not properly register their rental properties. If you have rentals, this is something you will want to check into and be sure you are in compliance.

IMPORTANT Check Your Tax Records --- For Owner - Occupied

If you are living in your owner-occupied home, it's also important to check your tax records and make sure your home is classified properly. There are many cases of owner-occupied homes being classified wrong, and the owner is unaware. Should you check and find there is an error, bring the error to the attention of the County Assessor's Office. You may be entitled to a refund.