

|                                      |   |      |
|--------------------------------------|---|------|
| Employer Identification Number (EIN) |   |      |
| QUARTER AND YEAR*:                   | Q | YYYY |

\*Quarter (1, 2, 3 or 4) and four digits of year

|                             |                                    |
|-----------------------------|------------------------------------|
| For these months:           | Enter this number for the quarter: |
| January, February, March    | 1                                  |
| April, May, June            | 2                                  |
| July, August, September     | 3                                  |
| October, November, December | 4                                  |

**Part I Taxpayer Information**

|  |
|--|
| Name                                       |
| Number and street or PO Box                |
| City or town, state and ZIP Code           |
| Business telephone number (with area code) |

Check box if:  Amended Return  Address Changed  Final Return (CANCEL ACCOUNT)

If this is your final return, the department will cancel your withholding account. Complete Part VI on page 2. (See Instructions.)

Enter date final wages paid ..... M, M, D, D, Y, Y, Y, Y

Total Arizona payroll for this quarter ..... \$   
 Total number of Arizona employees for this quarter .....

REVENUE USE ONLY. DO NOT MARK IN THIS AREA.

|       |         |
|-------|---------|
| 88    |         |
| 81 PM | 66 RCVD |

**Part II Tax Liability Schedule**

Complete either line A1 or lines B1 through B4. Do NOT complete both. See instructions.

| A. Quarterly Tax Liability                                     |                         | B. Monthly Tax Liability                               |                         |
|--|-------------------------|--|-------------------------|
| A1 Tax Liability. Enter this amount on line 1 in Part III..... | A1 <input type="text"/> | B1 Month 1 Liability.....                              | B1 <input type="text"/> |
|  |                         | B2 Month 2 Liability.....                              | B2 <input type="text"/> |
|  |                         | B3 Month 3 Liability.....                              | B3 <input type="text"/> |
|  |                         | B4 Total. Enter this amount on line 1 in Part III..... | B4 <input type="text"/> |

Taxpayers who incurred a semi-weekly or next-day tax liability during the quarter must complete the Daily Tax Liability Schedule on page 2, AND CHECK THIS BOX

**Part III Tax Computation (See instructions.)**

|  |   |                      |
|--|---|----------------------|
| 1 Liability: Enter the amount from line A1 or line B4.....   | 1 | <input type="text"/> |
| 2 Prior payments made for this quarter. Do NOT include the payment made with or for this return...                         | 2 | <input type="text"/> |
| 3 Total Amount Due: Subtract line 2 from line 1. Enter the difference. Use a minus sign to indicate a negative amount..... | 3 | <input type="text"/> |

**Payment**

- Make check payable to: Arizona Department of Revenue and include EIN on payment.
- Mail return and payment to: Arizona Department of Revenue, PO Box 29009, Phoenix, AZ 85038-9009

|                          |   |       |   |
|--------------------------|---|-------|---|
| Declaration              | Under penalties of perjury, I declare that I have examined this return and to the best of my knowledge and belief, it is a true, complete and correct return. |       |   |
|                          | Please Sign Here  |       |   |
| Paid Preparer's Use Only | TAXPAYER'S SIGNATURE  | DATE  | BUSINESS TELEPHONE NUMBER   |
|                          | PAID PREPARER'S SIGNATURE   | DATE  | PAID PREPARER'S PTIN  |
|                          | FIRM'S NAME (OR PAID PREPARER'S NAME, IF SELF-EMPLOYED)   |       | FIRM'S <input type="checkbox"/> EIN OR <input type="checkbox"/> SSN |
|                          | FIRM'S STREET ADDRESS   |       | FIRM'S TELEPHONE NUMBER   |
|                          | CITY  | STATE | ZIP CODE  |

**Part IV Daily Tax Liability Schedule**

**A. Daily Tax Liability - First Month of Quarter (Semi-Weekly or Next-Day)**

|                            |                             |                             |                             |   |
|----------------------------|-----------------------------|-----------------------------|-----------------------------|---|
| 1 <input type="checkbox"/> | 8 <input type="checkbox"/>  | 15 <input type="checkbox"/> | 22 <input type="checkbox"/> | 29 <input type="checkbox"/>                                     |
| 2 <input type="checkbox"/> | 9 <input type="checkbox"/>  | 16 <input type="checkbox"/> | 23 <input type="checkbox"/> | 30 <input type="checkbox"/>                                     |
| 3 <input type="checkbox"/> | 10 <input type="checkbox"/> | 17 <input type="checkbox"/> | 24 <input type="checkbox"/> | 31 <input type="checkbox"/>                                     |
| 4 <input type="checkbox"/> | 11 <input type="checkbox"/> | 18 <input type="checkbox"/> | 25 <input type="checkbox"/> | Only check a box<br>for next-day<br>withholding<br>obligations. |
| 5 <input type="checkbox"/> | 12 <input type="checkbox"/> | 19 <input type="checkbox"/> | 26 <input type="checkbox"/> |   |
| 6 <input type="checkbox"/> | 13 <input type="checkbox"/> | 20 <input type="checkbox"/> | 27 <input type="checkbox"/> |   |
| 7 <input type="checkbox"/> | 14 <input type="checkbox"/> | 21 <input type="checkbox"/> | 28 <input type="checkbox"/> |   |

**Month 1 Liability:** Enter total here and on Part II, line B1..... \$

**B. Daily Tax Liability - Second Month of Quarter (Semi-Weekly or Next-Day)**

|                            |                             |                             |                             |   |
|----------------------------|-----------------------------|-----------------------------|-----------------------------|---|
| 1 <input type="checkbox"/> | 8 <input type="checkbox"/>  | 15 <input type="checkbox"/> | 22 <input type="checkbox"/> | 29 <input type="checkbox"/>                                     |
| 2 <input type="checkbox"/> | 9 <input type="checkbox"/>  | 16 <input type="checkbox"/> | 23 <input type="checkbox"/> | 30 <input type="checkbox"/>                                     |
| 3 <input type="checkbox"/> | 10 <input type="checkbox"/> | 17 <input type="checkbox"/> | 24 <input type="checkbox"/> | 31 <input type="checkbox"/>                                     |
| 4 <input type="checkbox"/> | 11 <input type="checkbox"/> | 18 <input type="checkbox"/> | 25 <input type="checkbox"/> | Only check a box<br>for next-day<br>withholding<br>obligations. |
| 5 <input type="checkbox"/> | 12 <input type="checkbox"/> | 19 <input type="checkbox"/> | 26 <input type="checkbox"/> |   |
| 6 <input type="checkbox"/> | 13 <input type="checkbox"/> | 20 <input type="checkbox"/> | 27 <input type="checkbox"/> |   |
| 7 <input type="checkbox"/> | 14 <input type="checkbox"/> | 21 <input type="checkbox"/> | 28 <input type="checkbox"/> |   |

**Month 2 Liability:** Enter total here and on Part II, line B2..... \$

**C. Daily Tax Liability - Third Month of Quarter (Semi-Weekly or Next-Day)**

|                            |                             |                             |                             |   |
|----------------------------|-----------------------------|-----------------------------|-----------------------------|---|
| 1 <input type="checkbox"/> | 8 <input type="checkbox"/>  | 15 <input type="checkbox"/> | 22 <input type="checkbox"/> | 29 <input type="checkbox"/>                                     |
| 2 <input type="checkbox"/> | 9 <input type="checkbox"/>  | 16 <input type="checkbox"/> | 23 <input type="checkbox"/> | 30 <input type="checkbox"/>                                     |
| 3 <input type="checkbox"/> | 10 <input type="checkbox"/> | 17 <input type="checkbox"/> | 24 <input type="checkbox"/> | 31 <input type="checkbox"/>                                     |
| 4 <input type="checkbox"/> | 11 <input type="checkbox"/> | 18 <input type="checkbox"/> | 25 <input type="checkbox"/> | Only check a box<br>for next-day<br>withholding<br>obligations. |
| 5 <input type="checkbox"/> | 12 <input type="checkbox"/> | 19 <input type="checkbox"/> | 26 <input type="checkbox"/> |   |
| 6 <input type="checkbox"/> | 13 <input type="checkbox"/> | 20 <input type="checkbox"/> | 27 <input type="checkbox"/> |   |
| 7 <input type="checkbox"/> | 14 <input type="checkbox"/> | 21 <input type="checkbox"/> | 28 <input type="checkbox"/> |   |

**Month 3 Liability:** Enter total here and on Part II, line B3..... \$

**Part V Explain Why an Amended Form A1-QRT is Being Filed (include additional sheets, if necessary)**

**Part VI Reason for Cancellation of Employer's Withholding Account (check the applicable box)**

- 1 Reorganization or change in business entity (example: from corporation to partnership).
- 2 Business sold.
- 3 Business stopped paying wages and will not have any employees in the future.
- 4 Business permanently closed.
- 5 Business has only leased or temporary agency employees.
- 6 Other (specify reason): \_\_\_\_\_

## Arizona Quarterly Withholding Tax Return

Obtain additional information or assistance by calling one of the numbers listed below:

Phoenix (602) 255-3381  
From area codes 520 and 928, toll-free (800) 352-4090

Obtain tax rulings, tax procedures, tax forms and instructions, and other tax information by accessing the department's website at [www.azdor.gov](http://www.azdor.gov).

### General Instructions

#### Who May Use Form A1-QRT

An employer must make its Arizona withholding payments to the department either on a quarterly basis or at the same time as the employer makes its federal withholding deposits. An employer must file a quarterly withholding tax return with the department to report its Arizona withholding tax liability.

An employer incurs an Arizona withholding tax liability either quarterly, or on the same dates as it incurs a federal withholding liability (monthly, semi-weekly, or next-day). An employer must determine when it incurs an Arizona withholding tax liability to establish its correct Arizona withholding payment schedule. An employer makes this determination by calculating its average Arizona withholding tax liability for the four preceding calendar quarters or by using an alternate calculation if it does not have historical data for the preceding four calendar quarters. Both computations are discussed in the Arizona Withholding Liability/Payment Schedule section of these instructions.

**FORM A1-QRT:** Use the quarterly tax return if the liability is incurred on a quarterly, monthly, semi-weekly or next-day basis. A monthly liability employer that incurs a next-day liability during the calendar quarter immediately becomes an Arizona semi-weekly liability employer for the remainder of the calendar quarter.

**NOTE:** *Quarterly returns are required to be filed for every quarter by employers that are registered with the department, until the employer cancels its withholding registration by filing a final Form A1-QRT. This includes quarterly returns with no (zero) withholding liability. The only exception is for employers that qualify to file and pay annually (Form A1-APR).*

**EXCEPTION FOR ANNUAL PAYMENT RETURN (FORM A1-APR):** Certain employers may make their withholding payments on an annual basis and file an annual withholding tax return on Form A1-APR. These employers will not file Form A1-QRT or Form A1-R, or use Form A1-WP for their annual withholding payment.

An employer may make its Arizona withholding payments on an annual basis if all of the following conditions are met:

- The employer has established a history of withholding activity by filing the quarterly tax return (Form A1-QRT) for at least the four preceding calendar quarters.
- The employer's withholding liability was an amount greater than zero for at least one of the four preceding calendar quarters.
- The average amount of Arizona income taxes withheld by the employer in the four preceding calendar quarters does not exceed \$200. The employer will meet this average withholding requirement if the total amount withheld in the four preceding calendar quarters is \$800 or less.

- The employer has timely filed Form A1-QRT and has timely made its Arizona withholding payments for at least three of the four preceding calendar quarters.
- The employer has filed Form A1-QRT for all preceding calendar quarters and does not have a balance due (tax, penalty, or interest) for any preceding calendar quarter.
- The employer has filed the annual reconciliation tax return (Form A1-R) for all preceding calendar years and has timely filed Form A1-R for the preceding calendar year.

An employer may continue to make its Arizona withholding payments on an annual basis for the succeeding calendar year if all of the following conditions are met:

- The average amount of Arizona income taxes withheld by the employer in the four preceding calendar quarters does not exceed \$200.
- The employer has timely filed the annual tax return and has timely made its annual Arizona withholding payment for the preceding calendar year.

If an employer does not meet all of the qualifying conditions to continue making its Arizona withholding payments on an annual basis for the succeeding calendar year:

- The employer must determine its Arizona withholding payment schedule for succeeding calendar quarters according to the instructions in the Arizona Withholding Liability/Payment Schedule section; and
- The employer shall file the quarterly tax return (Form A1-QRT) for succeeding calendar quarters.

#### Penalties and Interest

**A. Late Filing Penalty.** A return filed after the due date is subject to the late filing penalty. The late filing penalty is 4.5% (.045) of the amount of tax required to be shown on the return. "Amount of tax required to be shown on the return" is the amount of tax imposed less the amount of any part of the tax paid on or before the beginning of the month. The penalty period is each month or fraction of a month between the due date of the return and the date the taxpayer filed the return. The maximum penalty is 25% of the tax found to be remaining due.

**B. Late Payment Penalty.** The department imposes the late payment penalty on any amount shown as tax on the return that is not paid by the date prescribed for its payment. The late payment penalty is 0.5% (.005) of the unpaid tax for each month or fraction of a month the tax remains unpaid, not to exceed 10% of the unpaid tax.

**NOTE:** *If both of the penalties described in A and B apply, the maximum combined penalty is 25%.*

**C. Additional Failure to Pay Penalty.** An employer is required to withhold Arizona income tax from compensation paid to an employee for services performed in Arizona, unless the compensation is exempt from Arizona withholding by Arizona law. The department may impose a penalty if the amount of tax required to be withheld, whether the amount of tax is determined by the employer or the department, is not paid to the department by the date prescribed for its payment. The amount of the penalty is 25% of the amount of tax required to be withheld and paid to the department.

**D. Payroll Service Company Penalty.** A payroll service company, as defined in Arizona Revised Statutes (A.R.S.) § 43-418(E)(2), is subject to a \$25 penalty for failure to make withholding payments electronically and a \$25 penalty for failure to file withholding returns electronically. Multiple \$25 penalties could apply to the same client on one return. For example, if Client A is required to make four payments in the 3rd quarter, and none of the payments are made electronically, the payroll service company would be subject to four \$25 penalties, a total of \$100. If the payroll service company files the quarterly reconciliation for Client A by paper, an additional penalty of \$25 would apply for a grand total of \$125 in penalties assessed toward the payroll service company related to Client A for the 3rd quarter.

**E. Interest.** The department assesses interest on any portion of the tax, whether determined by the department or the employer/taxpayer, not paid by the date prescribed for its payment. The department applies interest, compounded annually, in the same manner and at the same times as prescribed by Internal Revenue Code (IRC) § 6621 with the following exception. **Exception:** The Arizona rate of interest for both underpayments and overpayments *for all taxpayers* is the federal underpayment rate under IRC § 6621(a)(2) [the federal short-term rate, determined pursuant to IRC § 6621(b), plus three percentage points]. On January 1 of each year, the department adds any interest outstanding as of that date to the principal amount of the tax. It is then a part of the principal amount of the tax and accrues interest until paid.

**Arizona Withholding Liability/Payment Schedule**

Arizona law requires an employer to compute its average Arizona withholding tax liability for the preceding four calendar quarters at the beginning of each new quarter. This calculation is performed to determine the correct Arizona withholding payment schedule.

An employer that has four full consecutive calendar quarters of Arizona withholding liability historical data must use the regular withholding payment schedule computation. An employer that does not have four full consecutive calendar quarters of Arizona withholding liability historical data must use the alternate withholding payment schedule computation.

**A. Regular Arizona Withholding Liability/Payment Schedule Computation**

An employer required to use the regular computation must add its withholding liabilities for the preceding four calendar quarters and divide the total by four.

An employer must make its Arizona withholding payments on a quarterly basis if the average amount of Arizona income taxes withheld during the preceding four calendar quarters does not exceed \$1,500.

An employer must make its Arizona withholding tax payments at the same time as its federal withholding deposits if the average amount of Arizona income taxes withheld during the preceding four calendar quarters exceeds \$1,500.

**Example 1**

An employer is trying to determine the correct Arizona withholding payment schedule for the second calendar quarter 2016. The employer would make the following calculation to compute the average amount of Arizona income taxes withheld in the preceding four calendar quarters.

|                                 |   |          |
|---------------------------------|---|----------|
| First quarter 2016 withholding  |   | \$ 1,100 |
| Fourth quarter 2015 withholding | + | 1,600    |
| Third quarter 2015 withholding  | + | 1,000    |
| Second quarter 2015 withholding | + | 1,200    |
| Total withholding               | = | \$ 4,900 |
| Divide by                       | ÷ | 4        |
| Average withholding             | = | \$ 1,225 |

This example illustrates a four-quarter average of Arizona income taxes withheld that does not exceed \$1,500. Therefore, the employer is required to make Arizona withholding payments on a quarterly basis.

**Example 2**

An employer is trying to determine the correct Arizona withholding payment schedule for the third calendar quarter 2016. The employer would make the following calculation to compute the average amount of Arizona income taxes withheld in the preceding four calendar quarters.

|                                 |   |          |
|---------------------------------|---|----------|
| Second quarter 2016 withholding |   | \$ 1,800 |
| First quarter 2016 withholding  | + | 1,400    |
| Fourth quarter 2015 withholding | + | 1,900    |
| Third quarter 2015 withholding  | + | 1,300    |
| Total withholding               | = | \$ 6,400 |
| Divide by                       | ÷ | 4        |
| Average withholding             | = | \$ 1,600 |

This example illustrates a four-quarter average of Arizona income taxes withheld that exceeds \$1,500. Therefore, the employer is required to make Arizona withholding payments at the same time as its federal withholding deposits.

**B. Alternate Arizona Withholding Liability/Payment Schedule Computation**

An employer must make its Arizona withholding payments on a quarterly basis if the average amount of Arizona income taxes withheld during the preceding four calendar quarters does not exceed \$1,500.

An employer must make its Arizona withholding tax payments at the same time as its federal withholding deposits (monthly, semi-weekly, or next-day), if the average amount of Arizona income taxes withheld during the preceding four calendar quarters exceeds \$1,500.

An employer required to use the alternate computation must use one of the following methods.

**An employer that purchases an existing business** must determine its Arizona withholding payment schedule for each calendar quarter by calculating the average amount withheld in the four preceding calendar quarters as follows:

- For the first quarter of withholding, the employer must calculate the previous owner's average amount of Arizona income taxes withheld in the four preceding calendar quarters.
- For the second through fourth quarters of withholding, the employer must calculate the average amount withheld in the four preceding calendar quarters by combining its prior quarters of withholding with the previous owner's quarters of withholding.
- For subsequent quarters of withholding, the employer must calculate the average amount withheld based on amounts the employer withheld in the four preceding calendar quarters.

**A newly formed business** must determine its Arizona withholding payment schedule as follows:

- For the first quarter of withholding, the employer must make its Arizona withholding payments on a quarterly basis.
- For the second quarter of withholding, the employer must determine its Arizona withholding payment schedule based on the amount withheld in the first quarter of withholding.
- For the third quarter of withholding, the employer must determine its Arizona withholding payment schedule by adding the amounts withheld in the first and second quarters and dividing by two.
- For the fourth quarter of withholding, the employer must determine its Arizona withholding payment schedule by adding the amounts withheld in the first, second, and third quarters and dividing by three.
- For subsequent quarters of withholding, the employer must determine its Arizona withholding payment schedule by adding the amounts withheld in the four preceding calendar quarters and dividing by four.

**When two or more employers consolidate their business activities to form one entity**, the new employer must determine its Arizona withholding payment schedule based on the combined withholding of the prior employers for the preceding four full quarters. Any prior employer with fewer than four full quarters of withholding activity must annualize the amounts withheld and divide by four. The new employer must determine its Arizona withholding payment schedule by combining this amount with the quarterly averages of the other prior employers with four full quarters of withholding activity.

### C. Withholding Payment Due Dates

**Internet payments:** Registered employers may make their withholding payments on the Internet. Go to [www.AZTaxes.gov](http://www.AZTaxes.gov) to register or for further information.

**Quarterly** Arizona withholding payments are due on the following dates:

- First calendar quarter - April 30 of the current calendar year;
- Second calendar quarter - July 31 of the current calendar year;
- Third calendar quarter - October 31 of the current calendar year;
- Fourth calendar quarter - January 31 of the next calendar year.

If the quarterly withholding payment due date is a non-banking day (Saturday, Sunday, or a legal holiday), the withholding payment is timely if made on the next banking day.

*An employer required to make its Arizona withholding payments at the same time as its federal withholding deposits must make its Arizona withholding payments on a monthly, semi-weekly, or next-day basis.*

**Monthly** Arizona withholding payments are due on the fifteenth day of the month following the calendar month in which the taxes accumulated.

If the fifteenth day of the following month is a non-banking day (Saturday, Sunday, or a legal holiday), the withholding payment is timely if made on the next banking day.

**Semi-Weekly** Arizona withholding payments are due on the following schedule:

- *Wednesday through Friday semi-weekly period* - on or before the following Wednesday.
- *Saturday through Tuesday semi-weekly period* - on or before the following Friday.

If *any* of the *three weekdays* following the close of a semi-weekly period is a non-banking day (a legal holiday), an additional banking day is granted to make the required payment.

If a calendar quarter ends during a semi-weekly period (on a day other than Tuesday or Friday), the following rules apply:

- Taxes accumulated on the days in the current calendar quarter are subject to one payment obligation.
- Taxes accumulated on the days in the next calendar quarter are subject to a separate payment obligation.
- The payment(s) is (are) due at the normal payment due date for the semi-weekly period.

**Next-Day** Arizona withholding payments are due on the first banking day following the day that an employer incurs a federal next-day deposit obligation. The employer must make a next-day federal withholding deposit if federal taxes accumulate to \$100,000 or more on any day during a monthly or semi-weekly deposit period. The Arizona withholding payment is due the same day as the federal withholding deposit although the Arizona withholding tax liability may not have reached \$100,000 for the same monthly or semi-weekly period. A monthly liability payer that incurs an Arizona next-day withholding payment obligation during the calendar quarter immediately becomes an Arizona semi-weekly liability payer for the remainder of the calendar quarter.

**Extended Form A1-QRT due dates available to taxpayers who have made every payment on time.** A.R.S. § 43-401(C) allows some employers additional time to file Form A1-QRT. Employers who have made every payment on time during the preceding calendar quarter may have ten additional days in which to file Form A1-QRT.

Form A1-QRT, for employers who have made every payment on time during the preceding calendar quarter, are considered timely if filed by the following dates:

- First calendar quarter - May 10, 2016;
- Second calendar quarter - August 10, 2016;
- Third calendar quarter - November 10, 2016;
- Fourth calendar quarter - February 10, 2017.

Form A1-QRT, for employers who have *not* made every payment on time during the preceding calendar quarter, are considered timely if filed by the following dates:

- First calendar quarter - May 2, 2016;
- Second calendar quarter - August 1, 2016;
- Third calendar quarter - October 31, 2016;
- Fourth calendar quarter - January 31, 2017.

Because April 30, 2016 is a Saturday and July 31, 2016 is a Sunday, the return is considered to be timely for those quarters if it is made on the next day that is not a Saturday, Sunday, or legal holiday.

## Specific Instructions

Form A1-QRT may be filed online. Employers that are registered with the Arizona Department of Revenue and registered at [www.AZTaxes.gov](http://www.AZTaxes.gov) may file Form A1-QRT and make withholding payments online. Employers may register online. Visit [www.AZTaxes.gov](http://www.AZTaxes.gov) for more details.

All returns, statements, and other documents filed with the department require the taxpayer's employer identification number (taxpayer identification number or TIN). Taxpayers and their paid preparers that fail to include their TIN may be subject to a penalty. Paid tax return preparers must include

their TIN where requested. The TIN for a paid tax return preparer is the individual's social security number or the employer identification number of the business.

Refer to the sample Form A1-QRT on pages 6 and 7 of the instructions. The following numbered instructions correspond to the numbered sections of the sample Form A1-QRT.

**Part I. Taxpayer Information Section**

**1 Employer Identification Number (EIN)**

Enter the employer identification number. If the employer does not have an employer identification number, one can be obtained from the Internal Revenue Service.

**2 Quarter and Year**

The chart below identifies which months are in which quarter:

| For these months:           | Enter this number for the quarter: |
|-----------------------------|------------------------------------|
| January, February, March    | 1                                  |
| April, May, June            | 2                                  |
| July, August, September     | 3                                  |
| October, November, December | 4                                  |

Enter the quarter from the chart above. Enter the four-digit year.

**3 Name, Address and Phone Number  
Address Changed Box**

Type or print the employer's name, address, and phone number in the Taxpayer Information section. If the employer has a foreign address, enter the information in the following order: city, province or state, and country. Follow the country's practice for entering the postal code. **Do not abbreviate the country's name.** Check the box to indicate if the employer's address has changed.

**4 Amended Return**

Check the amended return box on page 1 of the form if this is an amended return. Complete Part V on page 2 of the form to explain why an amended return is being filed. If the amended return is being filed for a quarter in a prior calendar year, the employer must also file an amended Form A1-R for that calendar year and include the state copies of the federal Forms W-2c, or corrected copies of Forms W-2G and 1099-R.

**NOTE:** An amended Form A1-QRT can only be filed through [www.AZTaxes.gov](http://www.AZTaxes.gov) by a payroll service company or by an employer filing through a registered transmitter. All other employers required to file an amended Form A1-QRT must file a paper return.

*Overpayments:* After the amended return is processed and payments are confirmed, the overpayment will be applied to any outstanding liabilities, possibly in another tax type. If the overpayment exceeds the outstanding liabilities or the employer has no outstanding liabilities, a refund will be issued. A refund will not be issued once the overpayment is applied to a liability.

*Underpayments:* Enclose non-EFT payment for the underpaid amount with the amended return. The department will calculate the amount of interest and any applicable penalties and mail a billing notice after the amended return is processed.

**5 Final Return Box  
Date Final Wages Paid  
Cancellation of Withholding Account**

Check the final return box on page 1 of the form if this is a final return. Enter the date that final wages were paid.

Complete Part VI on page 2 of the form to indicate the reason for cancellation of employer's withholding account.

When a withholding account is cancelled, the employer must file a final return on Form A1-QRT for the last quarter in which the final wages were paid. The employer must file a final return to report its Arizona tax liability for the quarter in which the account was closed. **NOTE:** The employer must also file Form A1-R, *Arizona Withholding Reconciliation Return*, for that calendar year.

**6 Total Arizona Payroll and Employees for This Quarter**

Enter the total gross Arizona payroll for this calendar quarter. "Total gross Arizona payroll" means amounts considered wages for federal income tax withholding purposes.

Enter the total number of employees whose compensation for this calendar quarter was subject to Arizona withholding. This number includes (1) an employee who had Arizona withholding deducted from his/her compensation paid in this calendar quarter; and (2) an employee whose compensation was for services performed in Arizona, but the employee filed an election to not have any Arizona withholding deducted from his/her compensation. Do not include annuity recipients, independent contractors or pension recipients.

**Part II. Tax Liability Schedule Section**

**NOTE:** All liabilities reported and payments made should be net of any withholding designated for tax credits in accordance with A.R.S. § 43-401(G).

**NOTE:** Complete either line A1, Quarterly Tax Liability, or lines B1 through B4, Monthly Tax Liability. Please do **NOT** complete both.

**7 Quarterly Tax Liability**

An employer that incurs a quarterly withholding tax liability must complete line A1 under Part IIA, Quarterly Tax Liability, and Part III, line 1. Enter the amount of Arizona withholding tax liability for the quarter, not the amount of Arizona withholding payments. **DO NOT COMPLETE PART IIB, MONTHLY TAX LIABILITY, OR PART IV, THE DAILY TAX LIABILITY SCHEDULE.**

**8 Monthly Tax Liability**

An employer that incurs a monthly withholding tax liability for all three months of the calendar quarter must complete lines B1 through B4 under Part IIB, Monthly Tax Liability, for months 1, 2 and 3.

Enter the amount of Arizona withholding tax liability for each applicable month, not the amount of Arizona withholding payments. Add lines B1 through B3. Enter the total Arizona tax liability for the calendar quarter on Part IIB, line B4 and Part III, line 1.

If the employer also incurs a next-day withholding obligation during a month in the calendar quarter, complete the applicable Daily Tax Liability Schedule for each month of the calendar quarter a next-day withholding obligation is incurred. Enter the amount of Arizona withholding tax liability in the applicable Daily Tax Liability Schedule, not the amount of Arizona withholding payments. Total the amounts in each applicable Daily Tax Liability Schedule. Enter the total for each month on the applicable line (B1, B2 and/or B3) in Part IIB. Add lines B1 through B3. Enter the total Arizona tax liability for the calendar quarter on Part IIB, line B4 and Part III, line 1.

**NOTE:** Be sure to check the box on page 1, in Part IIB, if the taxpayer is required to complete section A, B and/or C of the Daily Tax Liability Schedule on page 2.

**IF AN EMPLOYER INCURS A NEXT-DAY WITHHOLDING OBLIGATION DURING THE FIRST MONTH:**

- *First month* - complete section A of the Daily Tax Liability Schedule. Enter the total of section A in Part IIB, line B1, month 1 liability.
- *Second month* - complete section B of the Daily Tax Liability Schedule. Enter the total of section B in Part IIB, line B2, month 2 liability.
- *Third month* - complete section C of the Daily Tax Liability Schedule. Enter the total of section C in Part IIB, line B3, month 3 liability.

**IF AN EMPLOYER INCURS A NEXT-DAY WITHHOLDING OBLIGATION DURING THE SECOND MONTH:**

- *First month* - complete Part IIB, line B1, month 1 liability.
- *Second month* - complete section B of the Daily Tax Liability Schedule. Enter the total of section B in Part IIB, line B2, month 2 liability.
- *Third month* - complete section C of the Daily Tax Liability Schedule. Enter the total of section C in Part IIB, line B3, month 3 liability.

**IF AN EMPLOYER INCURS A NEXT-DAY WITHHOLDING OBLIGATION DURING THE THIRD MONTH:**

- *First month* - complete Part IIB, line B1, month 1 liability.
- *Second month* - complete Part IIB, line B2, month 2 liability.
- *Third month* - complete section C of the Daily Tax Liability Schedule. Enter the total of section C in Part IIB, line B3, month 3 liability.

**9 Daily Tax Liability (Semi-Weekly or Next-Day)**

**NOTE:** Be sure to check the box on page 1, in Part IIB, if the taxpayer is required to complete section A, B and/or C of the Daily Tax Liability Schedule on page 2.

Complete sections A, B, and/or C of the Daily Tax Liability Schedule; lines B1 through B4 of Part IIB, Monthly Tax Liability; and Part III, line 1. On lines A1 through A31, B1 through B31, and C1 through C31, of the Daily Tax Liability Schedule, make entries on the day that an Arizona withholding tax liability was incurred. Enter the amount of Arizona withholding tax liability for each applicable day, not the amount of Arizona withholding payments. Add the amounts entered on the Daily Tax Liability Schedule for each month. Enter the total for each month on sections A, B and/or C. Enter the total from section A on Part IIB, line B1. Enter the total from section B on Part IIB, line B2. Enter the total from section C on Part IIB, line B3. Add the amounts entered on Part IIB, lines B1 through B3. Enter the total Arizona tax liability for the calendar quarter on Part IIB, line B4 and Part III, line 1.

*Important note for next-day obligations:* Check the box to the right of the number in the Daily Tax Liability Schedule that corresponds to the day that the employer incurred an Arizona next-day withholding obligation. *Leave this box blank unless a next-day withholding obligation was incurred.*

**Part III. Tax Computation Section**

**10 Line 1 - Liability**

*Quarterly tax liability employer* - enter the amount from Part IIA, line A1.

*Monthly tax liability employer (all three months of quarter)* - enter the total from Part IIB, line B4.

*Monthly tax liability (less than three months)/daily tax liability employer* - enter the total from Part IIB, line B4.

*Daily tax liability employer (all three months of quarter)* - enter the total from Part IIB, line B4.

**11 Line 2 - Prior Payments Made for This Quarter**

Enter the total amount of prior payments made for this quarter on line 2. If no payments were made prior to filing this return for this quarter, enter -0- on line 2. **Do NOT include the payment made with or for this return.**

**12 Line 3 - Total Amount Due**

Subtract the amount on line 2 from the amount on line 1. Enter the difference.

If line 3 is a positive number, this is the amount of tax remaining due. Payments can be made via check, electronic check, money order, or credit card. The department will calculate the amount of interest, apply any applicable penalties, and mail a billing notice after the return is processed.

**Check or Money Order**

Make checks payable to Arizona Department of Revenue. Include the employer's EIN on the front of the check or money order. Include the check or money order with the return.

**Internet Payments**

Employers must be registered with the department before they can pay taxes online. Go to [www.AZTaxes.gov](http://www.AZTaxes.gov) to register or to make payments over the Internet.

**Electronic payment from checking or savings account**

Payments can be made electronically from a checking or savings account. Go to [www.AZTaxes.gov](http://www.AZTaxes.gov) and choose the e-check option. There is no fee to use this method. This payment method will debit the amount from the specified checking or savings account on the date specified. If an electronic payment is made from a checking or savings account, a confirmation number will be generated. Please keep this confirmation number as proof of payment.

**Credit card payment**

Payments can be made via American Express, Discover, MasterCard or VISA credit cards. Go to [www.AZTaxes.gov](http://www.AZTaxes.gov) and choose the credit card option. This will take you to the website of the credit card payment service provider. The service provider will charge a convenience fee based on the amount of the tax payment. The service provider will disclose the amount of the convenience fee during the transaction and the option to continue or cancel the transaction will be presented. If you accept the convenience fee and complete the credit card transaction, a confirmation number will be generated. Please keep this confirmation number as proof of payment.

If line 3 is a negative number (an amount less than zero), this is the overpayment for the quarter. Use a minus sign to indicate a negative amount. After the return is processed and payments are confirmed, the overpayment will be applied to any outstanding liabilities, possibly in another tax type. If the overpayment exceeds the outstanding liabilities or the employer has no outstanding liabilities, a refund check will be issued and mailed to the employer. A refund will not be issued once the overpayment is applied to a liability.

**Arizona Department of Revenue**

PO Box 29009  
Phoenix AZ 85038-9009

① Employer Identification Number (EIN) \_\_\_\_\_

② QUARTER AND YEAR\*: Q Y Y Y Y  
\*Quarter (1, 2, 3 or 4) and four digits of year

**Part I Taxpayer Information**

Name \_\_\_\_\_

Number and street or PO Box \_\_\_\_\_

City or town, state and ZIP Code \_\_\_\_\_ ③

Business telephone number (with area code) \_\_\_\_\_

| For these months:           | Enter this number for the quarter: |
|-----------------------------|------------------------------------|
| January, February, March    | 1                                  |
| April, May, June            | 2                                  |
| July, August, September     | 3                                  |
| October, November, December | 4                                  |

④ Check box if:  Amended Return  Address Changed  Final Return (CANCEL ACCOUNT) ⑤

If this is your final return, the department will cancel your withholding account. Complete Part VI on page 2. (See Instructions.)

Enter date final wages paid ..... M, M, D, D, Y, Y, Y, Y

Total Arizona payroll for this quarter ..... \$ \_\_\_\_\_ ⑥

Total number of Arizona employees for this quarter .....

REVENUE USE ONLY. DO NOT MARK IN THIS AREA.

88 89 X

81 PM 66 RCVD

**Part II Tax Liability Schedule**

Complete either line A1 or lines B1 through B4. **Do NOT complete both.** See instructions.

| A. Quarterly Tax Liability ⑦  |       | B. Monthly Tax Liability ⑧  |       |
|---|-------|---|-------|
| <b>A1</b> Tax Liability. Enter this amount on line 1 in Part III..... <b>A1</b> | _____ | <b>B1</b> Month 1 Liability..... <b>B1</b>                              | _____ |
|   |       | <b>B2</b> Month 2 Liability..... <b>B2</b>                              | _____ |
|   |       | <b>B3</b> Month 3 Liability..... <b>B3</b>                              | _____ |
|   |       | <b>B4</b> Total. Enter this amount on line 1 in Part III..... <b>B4</b> | _____ |

Taxpayers who incurred a semi-weekly or next-day tax liability during the quarter must complete the Daily Tax Liability Schedule on page 2, **AND CHECK THIS BOX** ..... ⑨

**Part III Tax Computation (See instructions.)**

|   |          |   |       |
|---|----------|---|-------|
| <b>1</b> Liability: Enter the amount from line A1 or line B4.....   | <b>1</b> | ⑩ | _____ |
| <b>2</b> Prior payments made for this quarter. <b>Do NOT include the payment made with or for this return...</b>                  | <b>2</b> | ⑪ | _____ |
| <b>3 Total Amount Due:</b> Subtract line 2 from line 1. Enter the difference. Use a minus sign to indicate a negative amount..... | <b>3</b> | ⑫ | _____ |

**Payment**

- **Make check payable to:** Arizona Department of Revenue and include EIN on payment.
- **Mail return and payment to:** Arizona Department of Revenue, PO Box 29009, Phoenix, AZ 85038-9009

**Declaration** Under penalties of perjury, I declare that I have examined this return and to the best of my knowledge and belief, it is a true, complete and correct return.

**Please Sign Here**

TAXPAYER'S SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_ ( ) BUSINESS TELEPHONE NUMBER \_\_\_\_\_

**Paid Preparer's Use Only**

PAID PREPARER'S SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_ PAID PREPARER'S PTIN \_\_\_\_\_

FIRM'S NAME (OR PAID PREPARER'S NAME, IF SELF-EMPLOYED) \_\_\_\_\_ FIRM'S  EIN OR  SSN \_\_\_\_\_

( ) \_\_\_\_\_

FIRM'S STREET ADDRESS \_\_\_\_\_ FIRM'S TELEPHONE NUMBER \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_



**Part IV Daily Tax Liability Schedule** 9

**A. Daily Tax Liability - First Month of Quarter (Semi-Weekly or Next-Day)**

|   |                          |    |                          |    |                          |    |                          |    |                          |  |
|---|--------------------------|----|--------------------------|----|--------------------------|----|--------------------------|----|--------------------------|--|
| 1 | <input type="checkbox"/> | 8  | <input type="checkbox"/> | 15 | <input type="checkbox"/> | 22 | <input type="checkbox"/> | 29 | <input type="checkbox"/> | Only check a box for next-day withholding obligations. |
| 2 | <input type="checkbox"/> | 9  | <input type="checkbox"/> | 16 | <input type="checkbox"/> | 23 | <input type="checkbox"/> | 30 | <input type="checkbox"/> |  |
| 3 | <input type="checkbox"/> | 10 | <input type="checkbox"/> | 17 | <input type="checkbox"/> | 24 | <input type="checkbox"/> | 31 | <input type="checkbox"/> |  |
| 4 | <input type="checkbox"/> | 11 | <input type="checkbox"/> | 18 | <input type="checkbox"/> | 25 | <input type="checkbox"/> |    |                          |  |
| 5 | <input type="checkbox"/> | 12 | <input type="checkbox"/> | 19 | <input type="checkbox"/> | 26 | <input type="checkbox"/> |    |                          |  |
| 6 | <input type="checkbox"/> | 13 | <input type="checkbox"/> | 20 | <input type="checkbox"/> | 27 | <input type="checkbox"/> |    |                          |  |
| 7 | <input type="checkbox"/> | 14 | <input type="checkbox"/> | 21 | <input type="checkbox"/> | 28 | <input type="checkbox"/> |    |                          |  |

**Month 1 Liability:** Enter total here and on Part II, line B1..... \$

**B. Daily Tax Liability - Second Month of Quarter (Semi-Weekly or Next-Day)**

|   |                          |    |                          |    |                          |    |                          |    |                          |  |
|---|--------------------------|----|--------------------------|----|--------------------------|----|--------------------------|----|--------------------------|--|
| 1 | <input type="checkbox"/> | 8  | <input type="checkbox"/> | 15 | <input type="checkbox"/> | 22 | <input type="checkbox"/> | 29 | <input type="checkbox"/> | Only check a box for next-day withholding obligations. |
| 2 | <input type="checkbox"/> | 9  | <input type="checkbox"/> | 16 | <input type="checkbox"/> | 23 | <input type="checkbox"/> | 30 | <input type="checkbox"/> |  |
| 3 | <input type="checkbox"/> | 10 | <input type="checkbox"/> | 17 | <input type="checkbox"/> | 24 | <input type="checkbox"/> | 31 | <input type="checkbox"/> |  |
| 4 | <input type="checkbox"/> | 11 | <input type="checkbox"/> | 18 | <input type="checkbox"/> | 25 | <input type="checkbox"/> |    |                          |  |
| 5 | <input type="checkbox"/> | 12 | <input type="checkbox"/> | 19 | <input type="checkbox"/> | 26 | <input type="checkbox"/> |    |                          |  |
| 6 | <input type="checkbox"/> | 13 | <input type="checkbox"/> | 20 | <input type="checkbox"/> | 27 | <input type="checkbox"/> |    |                          |  |
| 7 | <input type="checkbox"/> | 14 | <input type="checkbox"/> | 21 | <input type="checkbox"/> | 28 | <input type="checkbox"/> |    |                          |  |

**Month 2 Liability:** Enter total here and on Part II, line B2..... \$

**C. Daily Tax Liability - Third Month of Quarter (Semi-Weekly or Next-Day)**

|   |                          |    |                          |    |                          |    |                          |    |                          |  |
|---|--------------------------|----|--------------------------|----|--------------------------|----|--------------------------|----|--------------------------|--|
| 1 | <input type="checkbox"/> | 8  | <input type="checkbox"/> | 15 | <input type="checkbox"/> | 22 | <input type="checkbox"/> | 29 | <input type="checkbox"/> | Only check a box for next-day withholding obligations. |
| 2 | <input type="checkbox"/> | 9  | <input type="checkbox"/> | 16 | <input type="checkbox"/> | 23 | <input type="checkbox"/> | 30 | <input type="checkbox"/> |  |
| 3 | <input type="checkbox"/> | 10 | <input type="checkbox"/> | 17 | <input type="checkbox"/> | 24 | <input type="checkbox"/> | 31 | <input type="checkbox"/> |  |
| 4 | <input type="checkbox"/> | 11 | <input type="checkbox"/> | 18 | <input type="checkbox"/> | 25 | <input type="checkbox"/> |    |                          |  |
| 5 | <input type="checkbox"/> | 12 | <input type="checkbox"/> | 19 | <input type="checkbox"/> | 26 | <input type="checkbox"/> |    |                          |  |
| 6 | <input type="checkbox"/> | 13 | <input type="checkbox"/> | 20 | <input type="checkbox"/> | 27 | <input type="checkbox"/> |    |                          |  |
| 7 | <input type="checkbox"/> | 14 | <input type="checkbox"/> | 21 | <input type="checkbox"/> | 28 | <input type="checkbox"/> |    |                          |  |

**Month 3 Liability:** Enter total here and on Part II, line B3..... \$

**Part V Explain Why an Amended Form A1-QRT is Being Filed (include additional sheets, if necessary)**

4 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Part VI Reason for Cancellation of Employer's Withholding Account (check the applicable box)**

- 5
- 1 Reorganization or change in business entity (example: from corporation to partnership).
  - 2 Business sold.
  - 3 Business stopped paying wages and will not have any employees in the future.
  - 4 Business permanently closed.
  - 5 Business has only leased or temporary agency employees.
  - 6 Other (specify reason): \_\_\_\_\_