

COMMITTEE ON WAYS AND MEANS

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* Strike-Everything Amendment
 [E] Emergency Clause
 [P 105] Proposition 105 Clause
 [P 108] Proposition 108 Clause
 [LIV] Line Item Veto
 [W/O] Without Emergency Clause
 [W/S] Without Signature

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HB 2046 – Chapter 43 – disaster recovery; businesses; tax; regulation

Exempts any out-of-state business or employee working temporarily in Arizona for the purpose of disaster recovery during a disaster period from any state or local income, use, or property tax and from any state or local registration, licensing, or certification requirement related to the disaster recovery, provided the employee is properly registered, licensed, or certified in their respective home state.

HB 2115 – Chapter 237 – *unemployed; severance pay; definition

Defines *severance pay* within the definition of *unemployed* under statutes governing employment security to include all amounts that an employer pays to an employee who is ending service with the employer, excluding any sum of money that the employer pays for health benefits or pursuant to an employee benefit plan.

HB 2141 – Chapter 133 – *county assessor; common area valuation

Requires the county assessor to automatically consolidate parcel combinations within the same taxing district. Allows the county assessor to revoke any statutory valuation made with regard to a parcel that fails to meet the requirements of a common area.

HB 2161 – Chapter 201 – state board of equalization; continuation

Continues the SBOE until July 1, 2024 retroactively to July 1, 2014.

HB 2272 – Chapter 168 – tax credits; capital investments; employment

Provides modifications to various tax credits, retroactively to January 1, 2014.

Angel Investment Incentive Program

Continues the Angel Investment Incentive Program through June 30, 2021. Increases, from \$250,000 to \$500,000, the maximum amount of an investment in any single small business that a taxpayer can apply towards a tax credit. Extends the deadline for application for a credit from 30 to 90 days after the investment.

Quality Jobs Tax Credit

Clarifies that a taxpayer is still eligible for the Quality Jobs Tax Credit in all three years of eligibility if a full-time employee in the newly created job leaves the position, as long as the position is filled by another qualified full-time employee and is not vacant for more than 90 days from the original date the position was filled to the end of the current TY.

R&D Tax Credit

Requires, beginning TY 2015, a taxpayer to obtain certification from the ACA that basic research payments meet statutory requirements prior to application to DOR for certification of additional income tax credits for increased research activities involving basic research payments to a university. Outlines the requirements for the ACA certification process.

HB 2283 – Chapter 139 – TPT; postmark; filing by mail

Stipulates that any tax mailings without an official US Post Office postmark, excluding petitions or notices of appeal, are timely if they are received within five days of the deadline. Modifies language to ensure that DOR deems TPT returns timely if DOR receives them on or before the business day preceding the last business day of the month. Becomes effective January 1, 2015.

HB 2285 – Chapter 54 – *refined coal transfer; tax exemptions

Exempts the transfer of title or possession of coal, back and forth, between a coal refinery and power plant from TPT. Stipulates that this transaction may not be included in the tax base under the mining classification. Specifies that coal acquired from a power plant by a coal refinery is exempt from use tax if the transfer of title is for refining purposes only and is

transferred back to the power plant after refining. Applies retroactively to refining facilities constructed in this state from and after December 31, 2013.

HB 2287 – Chapter 205 – county treasurer; lien; sale

Allows a county sheriff to auction foreclosed property to the highest bidder, regardless of whether or not the highest bid is sufficient to cover all taxes and interest owed and costs of sale. Requires the county treasurer to be a named party to an action of foreclosing the right to redeem a tax lien. Suspends a civil penalty for misclassification of property when ownership has changed between the time of notice and enforcement of a penalty.

HB 2288 – Chapter 141 – sales tax; reduced reporting requirements

Requires DOR to allow TPT taxpayers with annual liabilities between \$2000 and \$8000 to pay TPT quarterly, and taxpayers with liabilities less than \$2000 to pay annually. Becomes effective January 1, 2015.

HB 2328 – Chapter 278 – *STOs; grants; corporate tax credit

Removes the requirement, beginning July 1, 2014, that a student attends a district or charter school for at least 90 days or one full semester during the prior FY in order to be eligible to receive a grant or scholarship from an STO. Retains the above requirement for students who qualify for an ESA because of previously receiving a grant or scholarship from an STO. Allows previously qualified students who continue to attend a qualified school to remain eligible for the STO program.

HB 2377 – Chapter 10 – income tax brackets; inflation index

Requires DOR to adjust the dollar amounts for the state income tax brackets in TY 2015 according to the average annual change in the Metropolitan Phoenix Consumer Price Index.

HB 2389 – Chapter 263 – *transaction privilege tax changes

Makes changes to tax statutes to implement Laws 2013, Chapter 255. Provides a single point of TPT licensure, revises language under the prime contracting classification, exempts qualifying food purchases made under the Supplemental Nutrition Assistance Program (SNAP) Restaurant Program from TPT under the restaurant classification, and makes administrative changes regarding DOR.

HB 2395 – Chapter 209 – property tax calculations; school districts

Requires a County School Superintendent to first calculate primary property tax calculations and certify such amounts to the PTOC for review by July 25 each year and then file the levy amount required from primary and secondary property taxes with the county BOS and PTOC by the third Monday in August each year.

HB 2415 – Chapter 228 - *prime contracting deduction; waste facility

Excludes, from the prime contracting TPT classification, mixed waste facilities located on a municipal landfill, constructed for the purpose of recycling or producing renewable energy from landfill waste. Applies retroactively to January 1, 2013.

HB 2701 – Chapter 276 – TPT; health sciences institutions; exemption

Exempts personal property that is sold to a *qualifying health sciences educational institution*, defined in the Act, from TPT under the retail, publication, and job printing classifications and from state and municipal use tax. Becomes effective January 1, 2015.

SB 1081 – Chapter 68 [P 105] – tax credit; excise; SSN

Requires, beginning January 1, 2015, that any claimant filing a prescribed DOR form claiming no tax liability under statutes governing the credit for increased excise taxes paid include a valid social security number (SSN) for the claimant and a valid SSN or IRS issued tax identification number for any qualifying spouse and children.

SB 1164 – Chapter 109 – sanitary district bonds; terms

Increases the maximum maturity period for sanitary district improvement bonds and voter approved bonds. Stipulates that a sanitary district that refinances an existing bond that matures over a period of 41 years may only issue the bond if the bond does not cause an increase in the sanitary district's bonding capacity and the sanitary district's BOD provides public notice and holds a public hearing regarding the issuance of the bond.

SB 1180 – Chapter 110 – luxury privilege tax; cider; definition

Expands the definition of *cider* to include any vinous liquor that is made from the fermentation of pears or other pome fruits under statutes governing luxury privilege taxes. Exempts DOR from rulemaking for one year to implement these changes.

SB 1272 – Chapter 221 – nonprofit corporations; state monies; audits

Requires nonprofit corporations receiving over \$250,000 in state financial assistance in any FY to file audited financial statements prepared either in accordance with federal single audit regulations or the Generally Accepted Accounting Principles. Requires nonprofit corporations that receive less than \$250,000 in state financial assistance to comply with contract requirements concerning financial and compliance audits.

SB 1300 – Chapter 223 – internal revenue code conformity

Updates the definition of *Internal Revenue Code* to include all IRC provisions that were in effect as of January 1, 2014.

SB 1301 – Chapter 245 – 2014 tax corrections

Corrects errors, strikes obsolete language, and makes clarifying and conforming changes to statutes relating to taxation based on recommendations made by DOR and Legislative Council.

SB 1331 – Chapter 121 – *model city tax code; changes

Specifies that any changes not reflected in the official copy of the Model City Tax Code (MCTC) on file with DOR are void and have no effect. Specifies that *new or different tax rate* includes any change that increases the amount of taxes owed to a city or town. Contains a retroactive effective date of July 1, 1988, the original effective date of the MCTC.

SB 1351 – Chapter 80 – multipurpose facility districts; Rio Nuevo

Stipulates a county stadium district (District) BOD (Board) must include residents of the county in which the District is located, at least four of whom must reside in the municipality in which the District is located. Requires the Board to submit a report each year, regarding the activities, operations, revenues and expenditures of the district for the preceding FY to the SOS and specified members of the Legislature. Strikes the requirement that monies distributed to the District may only be used for specified purposes until a notice to proceed is issued for a hotel and convention center located on the multipurpose facility site. Establishes noticing requirements for any planned expenditure of \$500,000 or more.

SB 1352 – Chapter 249 – property tax roll; corrections

Provides statutory process by which the county assessor may amend a notice of valuation

should the assessor discover an error after the tax roll has been certified to the county BOS and DOR. Requires any amended values to be approved by DOR prior to the assessor mailing the amended notices.

SB 1413 – Chapter 7 – taxes; manufacturers' electricity sales; exemption

Exempts gross proceeds of sales of electricity and natural gas to businesses that are principally engaged in manufacturing or smelting operations from TPT and use tax. Does not apply to natural gas transportation services.