

## **Historical Tax Law Changes**

### **Lieu Tax on Private Railroad Car Companies**

**Laws 1912, Chapter 39** levied a tax on the property of private car companies in lieu of all other taxes upon such property. Prior to the enactment of this law, private car companies were taxed under the provisions of the General Property Tax. The lieu tax established by this law was levied at a rate of 7% on the gross receipts of private car companies from business within the state of Arizona. The State Tax Commission was responsible for determining the value of gross receipts subject to the tax. The tax was paid before the third Monday in December. The payments were collected by the State Treasurer and all collections were credited to the state General Fund. (Effective May 16, 1912)

**Laws 1913, 3rd Special Session, Chapter 29** changed the lieu tax rate to equal the average annual rate of levy for all purposes in the several taxing districts of the state. This tax was levied on the full cash value of the property of private car companies during the preceding year ending June 30. The full cash value was assessed and determined by the State Tax Commission. The tax was paid to the State Treasurer on or before the third Monday in December. [See Revised Statutes of Arizona, 1913 Civil Code, paragraphs 4955, 4959 and 4961]

**Laws 1949, Chapter 32** transferred the responsibility for collecting the lieu tax to the State Tax Commission. (Effective June 18, 1949)

**Laws 1967, Chapter 107** created the Department of Property Valuation and transferred the responsibility for determining the full cash value of private car company property to this new Department. (Effective October 15, 1967)

**Laws 1967, 3rd Special Session, Chapter 6** placed property owned by private car companies in Property Class 1 (see General Property Tax) and provided that all Class 1 properties were taxed on 60% of their full cash value. (Effective March 21, 1968)

**Laws 1972, Chapter 14** changed the basis for determining the full cash value of private car companies from a fiscal year to a calendar year basis. Under this law, the tax was payable on and after December 15 and would be delinquent after January 15. (Effective August 13, 1972)

**Laws 1973, Chapter 123** established the Department of Revenue and transferred the responsibility for valuing property of private car companies to the new Department. The Department of Revenue also replaced the State Tax Commission as the collecting agency. (Effective July 1, 1974)

**Laws 1979, Chapter 142** provided that property owned by private car companies was taxed on 36% of its full cash value during the 1979 tax year.

**Laws 1980, 2nd Special Session, Chapter 8** placed property owned by private car companies in a separate class of property with railroads. [See General Property Tax] For the 1980 tax year, properties in this class were assessed at 34% of their full cash value. After 1980, this assessment ratio was annually set at the average ratio for all commercial and industrial properties in the state. This law also changed the method for determining the taxable value of most types of property. The effect of this change on private car companies is explained under TAX BASE. (Enactment of these provisions was conditional on the passage of Laws of 1980, 2nd Special Session, Chapter 9 and four Constitutional amendments that were approved by the voters in a special election held on June 3, 1980.)

**Laws 1980, Chapter 218** changed the method of determining the tax rate levied on the property of private car companies. (Effective From and After December 31, 1979)

**Laws 1980, Chapter 220** increased the interest rate on delinquent payments of the lieu tax on private car companies to 12% per year. (Effective July 31, 1980)

**Laws 1983, Chapter 4** changed the interest rate on delinquent payments to equal the rate of interest established by Section 6621 of the Internal Revenue Code, compounded annually. (Effective February 11, 1983)

**Laws 2004, Chapter 61** provided that the full cash values for private car companies that are used for tax purposes are a matter of public record. (Effective August 25, 2004)