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REFERENCE TITLE: **income tax exemption; stillborn children**

State of Arizona
Senate
Forty-sixth Legislature
Second Regular Session
2004

SB 1003

Introduced by
Senators Jarrett, Bee

AN ACT

AMENDING SECTION 43-1023, ARIZONA REVISED STATUTES; RELATING TO INDIVIDUAL INCOME TAX EXEMPTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 43-1023, Arizona Revised Statutes, is amended to
3 read:

4 43-1023. Exemptions for blind persons, persons over sixty-five
5 years of age and dependents

6 A. A taxpayer is allowed an exemption of one thousand five hundred
7 dollars:

8 1. For a taxpayer who is blind or if either the taxpayer's central
9 visual acuity does not exceed 20/200 in the better eye with correcting lenses
10 or the taxpayer's visual acuity is greater than 20/200 but is accompanied by
11 a limitation in the fields of vision such that the widest diameter of the
12 visual field subtends an angle no greater than twenty degrees.

13 2. For the taxpayer's spouse if a separate return is made by the
14 taxpayer, if the spouse is blind, as defined in paragraph 1 of this
15 subsection, has no Arizona adjusted gross income for the calendar year in
16 which the taxable year of the taxpayer begins and is not the dependent of
17 another taxpayer. For the purposes of this paragraph, the determination of
18 whether the spouse is blind shall be made at the close of the taxable year of
19 the taxpayer. If the spouse dies during such taxable year, the determination
20 shall be made as of the time of the spouse's death.

21 B. A taxpayer is allowed an exemption of two thousand three hundred
22 dollars for:

23 1. Each dependent of the taxpayer, as defined in section 43-1001, and
24 subject to the qualifications prescribed by section 151(c) of the internal
25 revenue code.

26 2. Each person age sixty-five or older regardless of the person's
27 relationship to the taxpayer:

28 (a) If the taxpayer pays more than one-fourth of the total cost of
29 maintaining such person in a nursing care institution or residential care
30 institution licensed pursuant to title 36, chapter 4, or an assisted living
31 facility provider of a type certified pursuant to title 11, chapter 2,
32 article 7, if such payments exceed eight hundred dollars in the taxable year.

33 (b) If the taxpayer otherwise makes payments exceeding eight hundred
34 dollars in the taxable year for home health care or other types of medical
35 care.

36 3. BEGINNING FROM AND AFTER DECEMBER 31, 2003, EACH BIRTH FOR WHICH A
37 CERTIFICATE OF BIRTH RESULTING IN STILLBIRTH HAS BEEN ISSUED PURSUANT TO
38 SECTION 36-329.01 IF THE CHILD OTHERWISE WOULD HAVE BEEN A MEMBER OF THE
39 TAXPAYER'S HOUSEHOLD. THE TAXPAYER MAY ONLY CLAIM THE EXEMPTION UNDER THIS
40 PARAGRAPH IN THE TAXABLE YEAR IN WHICH THE STILLBIRTH OCCURRED.

41 C. For taxable years beginning from and after December 31, 1998, a
42 resident taxpayer is allowed an exemption of ten thousand dollars for each
43 parent or ancestor of a parent of the taxpayer, who is age sixty-five or
44 older, who requires assistance with activities of daily living and who lives
45 in the taxpayer's principal residence for the entire taxable year, if the

1 taxpayer pays more than one-half of the person's total support and
2 maintenance costs. An exemption under this subsection is in lieu of an
3 exemption under subsection B of this section for the same person.

4 D. A taxpayer shall not take more than one exemption for the same
5 person under either subsection B or C of this section.

6 E. A taxpayer is allowed an exemption of two thousand one hundred
7 dollars:

8 1. If the taxpayer has attained the age of sixty-five before the close
9 of the taxable year filing a separate or joint return and the taxpayer is not
10 claimed as a dependent by another taxpayer.

11 2. For the taxpayer's spouse if the spouse has attained the age of
12 sixty-five before the close of the taxable year, a joint return is filed and
13 the spouse is not a dependent of another taxpayer.

14 Sec. 2. Retroactivity

15 This act applies retroactively to taxable years beginning from and
16 after December 31, 2003.