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REFERENCE TITLE: **property tax exemption; military**

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

SCR 1043

Introduced by
Senator Verschoor

A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, SECTION 2, CONSTITUTION OF ARIZONA; RELATING TO PROPERTY TAX EXEMPTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved the Senate of the State of Arizona, the House of
2 Representatives concurring:

3 1. Article IX, section 2, Constitution of Arizona, is proposed to be
4 amended as follows if approved by the voters and on proclamation of the
5 Governor:

6 2. Property subject to taxation; exemptions

7 Section 2. (1) There shall be exempt from taxation all
8 federal, state, county and municipal property.

9 (2) Property of educational, charitable and religious
10 associations or institutions not used or held for profit may be
11 exempt from taxation by law.

12 (3) Public debts, as evidenced by the bonds of Arizona,
13 its counties, municipalities or other subdivisions, shall also
14 be exempt from taxation.

15 (4) All household goods owned by the user thereof and
16 used solely for noncommercial purposes shall be exempt from
17 taxation, and such person entitled to such exemption shall not
18 be required to take any affirmative action to receive the
19 benefit of such exemption.

20 (5) Stocks of raw or finished materials, unassembled
21 parts, work in process or finished products constituting the
22 inventory of a retailer or wholesaler located within the state
23 and principally engaged in the resale of such materials, parts
24 or products, whether or not for resale to the ultimate consumer,
25 shall be exempt from taxation.

26 (6) The legislature may exempt personal property that is
27 used for agricultural purposes or in a trade or business from
28 taxation in a manner provided by law, except that the exemption
29 does not apply to any amount of the full cash value of the
30 personal property of a taxpayer that exceeds fifty thousand
31 dollars. The legislature may provide by law to increase the
32 exempt amount according to annual variations in a designated
33 national inflation index.

34 (7) The legislature may exempt the property of cemeteries
35 that are set apart and used to inter deceased human beings from
36 taxation in a manner provided by law.

37 ~~(8) There shall be further exempt from taxation the~~
38 ~~property of each honorably discharged airman, soldier, sailor,~~
39 ~~United States marine, member of revenue marine service, the~~
40 ~~coast guard, nurse corps or of any predecessor or of the~~
41 ~~component of auxiliary of any thereof, resident of this state,~~
42 ~~in the amount of:~~

43 ~~(a) One thousand five hundred dollars if the total~~
44 ~~assessment of such person does not exceed three thousand five~~
45 ~~hundred dollars.~~

1 ~~(b) One thousand dollars if the total assessment of such~~
2 ~~person does not exceed four thousand dollars.~~

3 ~~(c) Five hundred dollars if the total assessment of such~~
4 ~~person does not exceed four thousand five hundred dollars.~~

5 ~~(d) Two hundred fifty dollars if the total assessment of~~
6 ~~such person does not exceed five thousand dollars.~~

7 ~~(e) No exemption if the total assessment of such person~~
8 ~~exceeds five thousand dollars.~~

9 ~~No such exemption shall be made for such person unless~~
10 ~~such person shall have served at least sixty days in the~~
11 ~~military or naval service of the United States during World War~~
12 ~~I or prior wars and shall have been a resident of this state~~
13 ~~prior to September 1, 1945.~~

14 ~~(9) There shall be further exempt from taxation as herein~~
15 ~~provided the property of each honorably discharged airman,~~
16 ~~soldier, sailor, United States marine, member of revenue marine~~
17 ~~service, the coast guard, nurse corps or of any predecessor or~~
18 ~~of the component of auxiliary of any thereof, resident of this~~
19 ~~state, where such person has a service-connected disability as~~
20 ~~determined by the United States veterans administration or its~~
21 ~~successor. No such exemption shall be made for such person~~
22 ~~unless he shall have been a resident of this state prior to~~
23 ~~September 1, 1945 or unless such person shall have been a~~
24 ~~resident of this state for at least four years prior to his~~
25 ~~original entry into service as an airman, soldier, sailor,~~
26 ~~United States marine, member of revenue marine service, the~~
27 ~~coast guard, nurse corps or of any predecessor or of the~~
28 ~~component of auxiliary of any thereof. The property of such~~
29 ~~person having a compensable service-connected disability exempt~~
30 ~~from taxation as herein provided shall be determined as follows:~~

31 ~~(a) If such person's service-connected disability as~~
32 ~~determined by the United States veterans administration or its~~
33 ~~successor is sixty per cent or less, the property of such person~~
34 ~~exempt from taxation shall be determined by such person's~~
35 ~~percentage of disability multiplied by the assessment of such~~
36 ~~person in the amount of:~~

37 ~~(i) One thousand five hundred dollars if the total~~
38 ~~assessment of such person does not exceed three thousand five~~
39 ~~hundred dollars.~~

40 ~~(ii) One thousand dollars if the total assessment of such~~
41 ~~person does not exceed four thousand dollars.~~

42 ~~(iii) Five hundred dollars if the total assessment of~~
43 ~~such person does not exceed four thousand five hundred dollars.~~

44 ~~(iv) Two hundred fifty dollars if the total assessment of~~
45 ~~such person does not exceed five thousand dollars.~~

1 ~~(v) No exemption if the total assessment of such person~~
2 ~~exceeds five thousand dollars.~~

3 ~~(b) If such person's service-connected disability as~~
4 ~~determined by the United States veterans administration or its~~
5 ~~successor is more than sixty per cent, the property of such~~
6 ~~person exempt from taxation shall be in the amount of:~~

7 ~~(i) One thousand five hundred dollars if the total~~
8 ~~assessment of such person does not exceed three thousand five~~
9 ~~hundred dollars.~~

10 ~~(ii) One thousand dollars if the total assessment of such~~
11 ~~person does not exceed four thousand dollars.~~

12 ~~(iii) Five hundred dollars if the total assessment of~~
13 ~~such person does not exceed four thousand five hundred dollars.~~

14 ~~(iv) Two hundred fifty dollars if the total assessment of~~
15 ~~such person does not exceed five thousand dollars.~~

16 ~~(v) No exemption if the total assessment of such person~~
17 ~~exceeds five thousand dollars.~~

18 ~~(10) There shall be further exempt from taxation the~~
19 ~~property of each honorably discharged airman, soldier, sailor,~~
20 ~~United States marine, member of revenue marine service, the~~
21 ~~coast guard, nurse corps or of any predecessor or of the~~
22 ~~component of auxiliary of any thereof, resident of this state,~~
23 ~~where such person has a nonservice-connected total and permanent~~
24 ~~disability, physical or mental, as so certified by the United~~
25 ~~States veterans administration, or its successor, or such other~~
26 ~~certification as provided by law, in the amount of:~~

27 ~~(a) One thousand five hundred dollars if the total~~
28 ~~assessment of such person does not exceed three thousand five~~
29 ~~hundred dollars.~~

30 ~~(b) One thousand dollars if the total assessment of such~~
31 ~~person does not exceed four thousand dollars.~~

32 ~~(c) Five hundred dollars if the total assessment of such~~
33 ~~person does not exceed four thousand five hundred dollars.~~

34 ~~(d) Two hundred fifty dollars if the total assessment of~~
35 ~~such person does not exceed five thousand dollars.~~

36 ~~(e) No exemption if the total assessment of such person~~
37 ~~exceeds five thousand dollars.~~

38 ~~No such exemption shall be made for such person unless he~~
39 ~~shall have served at least sixty days in the military or naval~~
40 ~~service of the United States during time of war after World War~~
41 ~~I and shall have been a resident of this state prior to~~
42 ~~September 1, 1945.~~

43 (8) PROPERTY CONSTITUTING THE PRINCIPAL RESIDENCE OF A
44 PERSON WHO, WHILE A RESIDENT OF THIS STATE, ENLISTED OR WAS
45 COMMISSIONED IN, SERVED AT LEAST TWO YEARS IN AND RECEIVED AN

1 HONORABLE DISCHARGE FROM THE ARMED FORCES OF THE UNITED STATES,
2 REGARDLESS OF WHETHER THE SERVICE WAS PERFORMED IN WARTIME. A
3 PERSON CLAIMING THE EXEMPTION UNDER THIS SUBSECTION MUST OWN OR
4 POSSESS AN EQUITY INTEREST IN THE PROPERTY. EXEMPT PROPERTY
5 UNDER THIS SUBSECTION MAY NOT INCLUDE MORE THAN ONE ACRE OF REAL
6 PROPERTY ON WHICH THE RESIDENCE IS LOCATED. THE EXEMPTION UNDER
7 THIS SUBSECTION IS TRANSFERABLE FROM ONE RESIDENCE TO ANOTHER,
8 BUT TERMINATES ON THE DEATH OF THE PERSON. FOR THE PURPOSES OF
9 THIS SUBSECTION, "ARMED FORCES" MEANS ALL REGULAR, RESERVE AND
10 NATIONAL GUARD COMPONENTS OF THE UNIFORMED SERVICES OF THE
11 UNITED STATES, INCLUDING THE UNITED STATES ARMY, NAVY, AIR
12 FORCE, MARINES AND COAST GUARD.

13 ~~(11)~~ (9) There shall be further exempt from taxation the
14 property of each widow, resident of this state, in the amount
15 of:

16 (a) One thousand five hundred dollars if the total
17 assessment of such widow does not exceed three thousand five
18 hundred dollars.

19 (b) One thousand dollars if the total assessment of such
20 widow does not exceed four thousand dollars.

21 (c) Five hundred dollars if the total assessment of such
22 widow does not exceed four thousand five hundred dollars.

23 (d) Two hundred fifty dollars if the total assessment of
24 such widow does not exceed five thousand dollars.

25 (e) No exemption if the total assessment of such widow
26 exceeds five thousand dollars.

27 In order to qualify for this exemption, the income from
28 all sources of such widow, together with the income from all
29 sources of all children of such widow residing with the widow in
30 her residence in the year immediately preceding the year for
31 which such widow applies for this exemption, shall not exceed:

32 1. Seven thousand dollars if none of the widow's children
33 under the age of eighteen years resided with her in such widow's
34 residence; or

35 2. Ten thousand dollars if one or more of the widow's
36 children residing with her in such widow's residence was under
37 the age of eighteen years, or was totally and permanently
38 disabled, physically or mentally, as certified by competent
39 medical authority as provided by law.

40 Such widow shall have resided with her last spouse in this
41 state at the time of the spouse's death if she was not a widow
42 and a resident of this state prior to January 1, 1969.

43 ~~(12)~~ (10) No property shall be exempt which has been
44 conveyed to evade taxation. The total exemption from taxation
45 granted to the property owned by a ~~person~~ WIDOW who qualifies

1 for any exemption in accordance with the terms of ~~subsections~~
2 ~~(8), (9), (10) or (11)~~ SUBSECTION (9) shall not exceed one
3 thousand five hundred dollars. The provisions of this section
4 shall be self-executing.
5 ~~(13)~~ (11) All property in the state not exempt under the
6 laws of the United States or under this constitution or exempt
7 by law under the provisions of this section shall be subject to
8 taxation to be ascertained as provided by law.
9 2. The Secretary of State shall submit this proposition to the voters
10 at the next general election as provided by article XXI, Constitution of
11 Arizona.