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

State of Arizona
Senate
Forty-seventh Legislature
First Regular Session
2005

SB 1178

Introduced by
Senators Tibshraeny, Blendu

AN ACT

AMENDING SECTION 42-11111, ARIZONA REVISED STATUTES; RELATING TO PROPERTY 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 42-11111, Arizona Revised Statutes, is amended to
3 read:

4 42-11111. Exemption for property of widows, widowers and
5 disabled persons

6 A. The property of widows, widowers and disabled persons who are
7 residents of this state is exempt from taxation to the extent allowed by
8 article IX, sections 2, 2.1, 2.2 and 2.3, Constitution of Arizona, and
9 subject to the conditions and limitations prescribed by this section.

10 B. Pursuant to article IX, section 2.3, Constitution of Arizona, the
11 exemptions from taxation under this section are allowed in the amount of:

12 1. Three thousand dollars if the person's total assessment does not
13 exceed twenty thousand dollars.

14 2. No exemption if the person's total assessment exceeds twenty
15 thousand dollars.

16 C. On or before December 31 of each year, the department shall
17 increase the ~~total assessment limitation~~ THE FOLLOWING amounts ~~under~~
18 ~~subsection B of this section~~ based on the average annual percentage increase,
19 if any, in the GDP price deflator as defined in section 41-563: -

20 1. THE TOTAL ALLOWABLE EXEMPTION AMOUNT AND THE TOTAL ASSESSMENT
21 LIMITATION AMOUNT UNDER SUBSECTION B OF THIS SECTION.

22 2. THE TOTAL INCOME LIMITATION AMOUNTS UNDER SUBSECTION E, PARAGRAPHS
23 1 AND 2 OF THIS SECTION.

24 D. For the purpose of determining the amount of the allowable
25 exemption pursuant to subsection B of this section, the person's total
26 assessment shall not include the value of any vehicle that is taxed under
27 title 28, chapter 16, article 3.

28 E. Pursuant to article IX, section 2.3, Constitution of Arizona, to
29 qualify for this exemption, the total income from all sources of the claimant
30 and the claimant's spouse and the income from all sources of all of the
31 claimant's children who resided with the claimant in the claimant's residence
32 in the year immediately preceding the year for which the claimant applies for
33 the exemption shall not exceed:

34 1. ~~Thirteen~~ FIFTEEN thousand ~~two hundred~~ dollars if none of the
35 claimant's children under eighteen years of age resided with the claimant in
36 the claimant's residence.

37 2. ~~Eighteen~~ TWENTY thousand ~~eight hundred forty~~ dollars if one or more
38 of the claimant's children residing with the claimant in the claimant's
39 residence was either:

40 (a) Under eighteen years of age.

41 (b) Totally and permanently, physically or mentally disabled, as
42 certified by competent medical authority as provided by law.

43 F. For the purposes of subsection E of this section, "income from all
44 sources" means the sum of the following, but excluding the items listed in
45 subsection G of this section:

46 1. Adjusted gross income as defined by the department.

- 1 2. The amount of capital gains excluded from adjusted gross income.
- 2 3. Nontaxable strike benefits.
- 3 4. Nontaxable interest that is received from the federal government or
- 4 any of its instrumentalities.
- 5 5. Payments that are received from a retirement program and paid by:
- 6 (a) This state or any of its political subdivisions.
- 7 (b) The United States through any of its agencies, instrumentalities
- 8 or programs, except as provided in subsection G of this section.
- 9 6. The gross amount of any pension or annuity that is not otherwise
- 10 exempted.
- 11 G. Notwithstanding subsection F of this section, "income from all
- 12 sources" does not include monies received from:
- 13 1. Cash public assistance and relief.
- 14 2. Railroad retirement benefits.
- 15 3. Payments under the federal social security act (49 Stat. 620).
- 16 4. Payments under the unemployment insurance laws of this state.
- 17 5. Payments from veterans disability pensions.
- 18 6. Workers' compensation payments.
- 19 7. "Loss of time" insurance.
- 20 8. Gifts from nongovernmental sources, surplus foods or other relief
- 21 in kind supplied by a governmental agency.
- 22 H. The exemption described by this section applies independently to:
- 23 1. The assessed valuation determined for secondary property tax
- 24 purposes from the full cash value of the property and improvements owned by
- 25 the individual.
- 26 2. The assessed valuation determined for primary property tax purposes
- 27 from the limited property value of the property and improvements owned by the
- 28 individual.
- 29 I. Any dollar amount of exemption that is unused in a tax year against
- 30 the limited property value of property and improvements owned by the
- 31 individual may be applied for the tax year against the value of personal
- 32 property subject to special property taxes including the taxes collected
- 33 pursuant to title 5, chapter 3, article 3 and title 28, chapter 16,
- 34 article 3.
- 35 J. An individual is not entitled to property tax exemptions in the
- 36 aggregate that exceed the maximum allowed to a widow, widower or disabled
- 37 person even if the person is eligible for an exemption in more than one
- 38 category.