

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

HOUSE BILL 2104

AN ACT

AMENDING SECTIONS 42-1001 AND 43-105, ARIZONA REVISED STATUTES; RELATING TO
TAXATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-1001, Arizona Revised Statutes, is amended to
3 read:

4 42-1001. Definitions

5 In this title, unless the context otherwise requires:

6 1. "Board" or "state board" means either the state board of tax
7 appeals or the state board of equalization, as applicable.

8 2. "Court" means the tax court or superior court, whichever is
9 applicable.

10 3. "Department" means the department of revenue.

11 4. "Director" means the director of the department.

12 5. "Internal revenue code" means the United States internal revenue
13 code of 1986, as amended and in effect as of January 1, ~~2007~~ 2008, including
14 those provisions that became effective during ~~2006~~ 2007 with the specific
15 adoption of their retroactive effective dates but excluding all changes to
16 the code enacted after January 1, ~~2007~~ 2008.

17 Sec. 2. Section 43-105, Arizona Revised Statutes, is amended to read:

18 43-105. Internal revenue code; definition; application

19 A. FOR PURPOSES OF COMPUTING INCOME TAX PURSUANT TO THIS TITLE, FOR
20 TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2007, "INTERNAL REVENUE
21 CODE" MEANS THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED, IN
22 EFFECT ON JANUARY 1, 2008, INCLUDING THOSE PROVISIONS THAT BECAME EFFECTIVE
23 DURING 2007 WITH THE SPECIFIC ADOPTION OF ALL FEDERAL RETROACTIVE EFFECTIVE
24 DATES, BUT EXCLUDING ANY CHANGE TO THE CODE ENACTED AFTER JANUARY 1, 2008.

25 ~~A-~~ B. For purposes of computing income tax pursuant to this title,
26 for taxable years beginning from and after December 31, 2006 through December
27 31, 2007, "internal revenue code" means the United States internal revenue
28 code of 1986, as amended, in effect on January 1, 2007, including those
29 provisions that became effective during 2006 with the specific adoption of
30 all federal retroactive effective dates, ~~but excluding any change to the code~~
31 ~~enacted after January 1, 2007~~ AND INCLUDING THOSE PROVISIONS OF THE SMALL
32 BUSINESS AND WORK OPPORTUNITY TAX ACT OF 2007 (P.L. 110-28), THE ENERGY
33 INDEPENDENCE AND SECURITY ACT OF 2007 (P.L. 110-140), PUBLIC LAW 110-141, THE
34 MORTGAGE FORGIVENESS DEBT RELIEF ACT OF 2007 (P.L. 110-142) AND THE TAX
35 TECHNICAL CORRECTIONS ACT OF 2007 (P.L. 110-172) THAT ARE RETROACTIVELY
36 EFFECTIVE DURING TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2006
37 THROUGH DECEMBER 31, 2007.

38 ~~B-~~ C. For purposes of computing income tax pursuant to this title,
39 for taxable years beginning from and after December 31, 2005 through December
40 31, 2006, "internal revenue code" means the United States internal revenue
41 code of 1986, as amended, in effect on January 1, 2006, including those
42 provisions that became effective during 2005 with the specific adoption of
43 all federal retroactive effective dates and including those provisions of the
44 tax increase prevention and reconciliation act of 2005 (P.L. 109-222), the
45 pension protection act of 2006 (P.L. 109-280), ~~and~~ the tax relief and health

1 care act of 2006 (P.L. 109-432), THE SMALL BUSINESS AND WORK OPPORTUNITY TAX
2 ACT OF 2007 (P.L. 110-28), THE MORTGAGE FORGIVENESS DEBT RELIEF ACT OF 2007
3 (P.L. 110-142) AND THE TAX TECHNICAL CORRECTIONS ACT OF 2007 (P.L. 110-172)
4 that are retroactively effective during taxable years beginning from and
5 after December 31, 2005 through December 31, 2006.

6 ~~E.~~ D. For purposes of computing income tax pursuant to this title,
7 for taxable years beginning from and after December 31, 2004 through December
8 31, 2005, "internal revenue code" means the United States internal revenue
9 code of 1986, as amended, in effect on January 1, 2005, including those
10 provisions that became effective during 2004 with the specific adoption of
11 all federal retroactive effective dates and including those provisions of the
12 Katrina emergency tax relief act of 2005 (P.L. 109-73), the energy tax
13 incentives act of 2005 (title XIII of the energy policy act of 2005
14 (P.L. 109-58)), and the gulf opportunity zone act of 2005 (P.L. 109-135) AND
15 THE TAX TECHNICAL CORRECTIONS ACT OF 2007 (P.L. 110-172) that are
16 retroactively effective during taxable years beginning from and after
17 December 31, 2004 through December 31, 2005.

18 ~~D.~~ E. For purposes of computing income tax pursuant to this title,
19 for taxable years beginning from and after December 31, 2003 through December
20 31, 2004, "internal revenue code" means the United States internal revenue
21 code of 1986, as amended, in effect on January 1, 2004, including those
22 provisions that became effective during 2003 with the specific adoption of
23 all federal retroactive effective dates and including those provisions of the
24 working families tax relief act of 2004 (P.L. 108-311), the American jobs
25 creation act of 2004 (P.L. 108-357), the Katrina emergency tax relief act of
26 2005 (P.L. 109-73), the energy tax incentives act of 2005 (title XIII of the
27 energy policy act of 2005 (P.L. 109-58)), and the gulf opportunity zone act
28 of 2005 (P.L. 109-135) AND THE TAX TECHNICAL CORRECTIONS ACT OF 2007
29 (P.L. 110-172) that are retroactively effective during taxable years
30 beginning from and after December 31, 2003 through December 31, 2004.

31 ~~E.~~ F. For purposes of computing income tax pursuant to this title,
32 for taxable years beginning from and after December 31, 2002 through December
33 31, 2003, "internal revenue code" means the United States internal revenue
34 code of 1986, as amended, in effect on January 1, 2003, including those
35 provisions that became effective during 2002 with the specific adoption of
36 all federal retroactive effective dates and including those provisions of the
37 working families tax relief act of 2004 (P.L. 108-311), the American jobs
38 creation act of 2004 (P.L. 108-357), the jobs and growth tax relief
39 reconciliation act of 2003 (P.L. 108-27), the military family tax relief act
40 of 2003 (P.L. 108-121), and the medicare prescription drug, improvement, and
41 modernization act of 2003 (P.L. 108-173) AND THE TAX TECHNICAL CORRECTIONS
42 ACT OF 2007 (P.L. 110-172) that are retroactively effective during taxable
43 years beginning from and after December 31, 2002 through December 31, 2003.

1 ~~F.~~ G. For purposes of computing income tax pursuant to this title,
2 for taxable years beginning from and after December 31, 2001 through December
3 31, 2002, "internal revenue code" means the United States internal revenue
4 code of 1986, as amended, in effect on March 9, 2002, including those
5 provisions that became effective during 2001 with the specific adoption of
6 all federal retroactive effective dates and including those provisions of the
7 working families tax relief act of 2004 (P.L. 108-311), the American jobs
8 creation act of 2004 (P.L. 108-357), the jobs and growth tax relief
9 reconciliation act of 2003 (P.L. 108-27), ~~and~~ the military family tax relief
10 act of 2003 (P.L. 108-121) AND THE TAX TECHNICAL CORRECTIONS ACT OF 2007
11 (P.L. 110-172) that are retroactively effective during taxable years
12 beginning from and after December 31, 2001 through December 31, 2002.

13 ~~G.~~ H. For purposes of computing income tax pursuant to this title,
14 for taxable years beginning from and after December 31, 2000 through December
15 31, 2001, "internal revenue code" means the United States internal revenue
16 code of 1986, as amended, in effect on January 1, 2001, including those
17 provisions that became effective during 2000 with the specific adoption of
18 all federal retroactive effective dates and including those provisions of the
19 working families tax relief act of 2004 (P.L. 108-311), the American jobs
20 creation act of 2004 (P.L. 108-357), the economic growth and tax relief
21 reconciliation act of 2001 (P.L. 107-16), the job creation and worker
22 assistance act of 2002 (P.L. 107-147), ~~and~~ the military family tax relief act
23 of 2003 (P.L. 108-121) AND THE TAX TECHNICAL CORRECTIONS ACT OF 2007
24 (P.L. 110-172) that are retroactively effective during taxable years
25 beginning from and after December 31, 2000 through December 31, 2001.

26 ~~H.~~ I. For purposes of computing income tax pursuant to this title,
27 for taxable years beginning from and after December 31, 1999 through December
28 31, 2000, "internal revenue code" means the United States internal revenue
29 code of 1986, as amended, in effect on January 1, 2000, including those
30 provisions that became effective during 1999 with the specific adoption of
31 all federal retroactive effective dates and including those provisions of the
32 community renewal tax relief act of 2000 (P.L. 106-554), the installment tax
33 correction act of 2000 (P.L. 106-573), FSC repeal and extraterritorial income
34 exclusion act of 2000 (P.L. 106-519), the trade and development act of 2000
35 (P.L. 106-200), the economic growth and tax relief reconciliation act of 2001
36 (P.L. 107-16), the job creation and worker assistance act of 2002
37 (P.L. 107-147) and the military family tax relief act of 2003 (P.L. 108-121)
38 that are retroactively effective during taxable years beginning from and
39 after December 31, 1999 through December 31, 2000.

40 ~~I.~~ J. For purposes of computing income tax pursuant to this title,
41 for taxable years beginning from and after December 31, 1998 through December
42 31, 1999, "internal revenue code" means the United States internal revenue
43 code of 1986, as amended, in effect on January 1, 1999, including those
44 provisions that became effective during 1998 with the specific adoption of
45 all federal retroactive effective dates and including those provisions of the

1 miscellaneous trade and technical corrections act of 1999 (P.L. 106-36), the
2 ticket to work and work incentives improvement act of 1999 (P.L. 106-170),
3 the community renewal tax relief act of 2000 (P.L. 106-554), the installment
4 tax correction act of 2000 (P.L. 106-573) and the military family tax relief
5 act of 2003 (P.L. 108-121) that are retroactively effective during taxable
6 years beginning from and after December 31, 1998 through December 31, 1999.

7 ~~J.~~ K. For purposes of computing income tax pursuant to this title,
8 for taxable years beginning from and after December 31, 1997 through December
9 31, 1998, "internal revenue code" means the United States internal revenue
10 code of 1986, as amended, in effect on January 1, 1998, including those
11 provisions that became effective during 1997 with the specific adoption of
12 all federal retroactive effective dates and including those provisions of the
13 IRS restructuring and reform act of 1998 (P.L. 105-206), the tax and trade
14 relief extension act of 1998 (P.L. 105-277), the surface transportation
15 revenue act of 1998 (P.L. 105-178), the miscellaneous trade and technical
16 corrections act of 1999 (P.L. 106-36) and the military family tax relief act
17 of 2003 (P.L. 108-121) that are retroactively effective during the taxable
18 years beginning from and after December 31, 1997 through December 31, 1998.

19 ~~K. For purposes of computing income tax pursuant to this title, for~~
20 ~~taxable years beginning from and after December 31, 1996 through December 31,~~
21 ~~1997, "internal revenue code" means the United States internal revenue code~~
22 ~~of 1986, as amended, in effect on January 1, 1997, including those provisions~~
23 ~~that became effective during 1996 with the specific adoption of all federal~~
24 ~~retroactive effective dates and including the provisions of the taxpayer~~
25 ~~relief act of 1997 (P.L. 105-34), the IRS restructuring and reform act of~~
26 ~~1998 (P.L. 105-206), the tax and trade relief extension act of 1998~~
27 ~~(P.L. 105-277) and the military family tax relief act of 2003 (P.L. 108-121)~~
28 ~~that are retroactively effective during taxable years beginning from and~~
29 ~~after December 31, 1996 through December 31, 1997.~~