

State of Arizona
House of Representatives
Fifty-first Legislature
Second Regular Session
2014

HOUSE BILL 2288

AN ACT

AMENDING SECTION 42-5014, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, SEVENTH SPECIAL SESSION, CHAPTER 12, SECTION 30; AMENDING SECTION 42-5014, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2013, CHAPTER 255, SECTION 7; RELATING TO TRANSACTION PRIVILEGE AND AFFILIATED EXCISE TAXES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-5014, Arizona Revised Statutes, Laws 2010,
3 seventh special session, chapter 12, section 30, is amended to read:

4 42-5014. Return and payment of tax; estimated tax; extensions;
5 abatements

6 A. Except as provided in subsection B, C or D of this section, the
7 taxes levied under this article:

8 1. Are due and payable monthly in the form required by section 42-5018
9 for the amount of the tax, to the department, on or before the twentieth day
10 of the month next succeeding the month in which the tax accrues.

11 2. Are delinquent as follows:

12 (a) For taxpayers electing to file by mail, if not postmarked on or
13 before the twenty-fifth day of that month or if not received by the
14 department on or before the business day preceding the last business day of
15 the month.

16 (b) For taxpayers electing to file and pay electronically in any
17 month, if not received by the department on or before the last business day
18 of the month.

19 (c) For all other taxpayers, if not received by the department on or
20 before the business day preceding the last business day of the month.

21 B. The department, for any taxpayer whose estimated annual liability
22 for taxes imposed by this article is between ~~five hundred~~ TWO THOUSAND
23 dollars and ~~one EIGHT~~ thousand ~~two hundred fifty~~ dollars, ~~may~~ SHALL authorize
24 such taxpayer to pay such taxes on a quarterly basis. The department, for
25 any taxpayer whose estimated annual liability for taxes imposed by this
26 article is ~~five hundred~~ LESS THAN TWO THOUSAND dollars ~~or less~~, ~~may~~ SHALL
27 authorize such taxpayer to pay such taxes on an annual basis.

28 C. The department may require a taxpayer whose business is of a
29 transient character to file the return and remit the taxes imposed by this
30 article on a daily, a weekly or a transaction by transaction basis, and those
31 returns and payments are due and payable on the date fixed by the department
32 without a grace period otherwise allowed by this section. For the purposes
33 of this subsection, "business of a transient character" means sales activity
34 by a taxpayer not regularly engaged in selling within the state conducted
35 from vehicles, portable stands, rented spaces, structures or booths, or
36 concessions at fairs, carnivals, circuses, festivals or similar activities
37 for not more than thirty consecutive days.

38 D. In 2010, 2011 and 2012, if a business entity under which a taxpayer
39 reports and pays income tax under title 43 has an annual total tax liability
40 under this article, article 6 of this chapter and chapter 6, article 3 of
41 this title in calendar year 2010, 2011 or 2012 of one hundred thousand
42 dollars or more, based on the actual tax liability in calendar year 2009,
43 2010 or 2011, regardless of the number of offices at which the taxes imposed
44 by this article, article 6 of this chapter or chapter 6, article 3 of this
45 title are collected, or if the taxpayer can reasonably anticipate such

1 liability in calendar year 2010, 2011 or 2012, the taxpayer shall report on a
2 form prescribed by the department and pay an estimated tax payment in June,
3 2010, 2011 or 2012. Thereafter, if the business entity under which a
4 taxpayer reports and pays income tax under title 43 has an annual total tax
5 liability under this article, article 6 of this chapter and chapter 6,
6 article 3 of this title of one million dollars or more, based on the actual
7 tax liability in the preceding calendar year, regardless of the number of
8 offices at which the taxes imposed by this article, article 6 of this chapter
9 or chapter 6, article 3 of this title are collected, or if the taxpayer can
10 reasonably anticipate such liability in the current year, the taxpayer shall
11 report on a form prescribed by the department and pay an estimated tax
12 payment each June. Any other taxpayer may voluntarily elect to pay the
13 estimated tax payment pursuant to this subsection. The payment shall be made
14 on or before June 20 and is delinquent if not postmarked on or before that
15 date or if not received by the department on or before the business day
16 preceding the last business day of June for those taxpayers electing to file
17 by mail, or delinquent if not received by the department on the business day
18 preceding the last business day of June for those taxpayers electing to file
19 in person. The estimated tax paid shall be credited against the taxpayer's
20 tax liability under this article, article 6 of this chapter and chapter 6,
21 article 3 of this title for the month of June for the current calendar year.
22 The estimated tax payment shall equal either:

23 1. One-half of the actual tax liability under this article plus
24 one-half of any tax liability under article 6 of this chapter and chapter 6,
25 article 3 of this title for May of the current calendar year.

26 2. The actual tax liability under this article plus any tax liability
27 under article 6 of this chapter and chapter 6, article 3 of this title for
28 the first fifteen days of June of the current calendar year.

29 E. The taxpayer shall prepare a return showing the amount of the tax
30 for which the taxpayer is liable for the preceding month, and shall mail or
31 deliver the return to the department in the same manner and time as
32 prescribed for the payment of taxes in subsection A of this section. If the
33 taxpayer fails to file the return in the manner and time as prescribed for
34 the payment of taxes in subsection A of this section, the amount of the tax
35 required to be shown on the return is subject to the penalty imposed pursuant
36 to section 42-1125, subsection A, without any reduction for taxes paid on or
37 before the due date of the return. The return shall be verified by the oath
38 of the taxpayer or an authorized agent or as prescribed by the department
39 pursuant to section 42-1105, subsection B.

40 F. Any person who is taxable under this article and who makes cash and
41 credit sales shall report such cash and credit sales separately and ~~upon~~ ON
42 making application may obtain from the department an extension of time for
43 payment of taxes due on the credit sales. The extension shall be granted by
44 the department under such rules as the department prescribes. When the
45 extension is granted, the taxpayer shall thereafter include in each monthly

1 report all collections made on such credit sales during the month next
2 preceding and shall pay the taxes due at the time of filing such report.

3 G. The returns required under this article shall be made ~~upon~~ ON forms
4 prescribed by the department.

5 H. The department, for good cause, may extend the time for making any
6 return required by this article and may grant such reasonable additional time
7 within which to make the return as it deems proper, but the time for filing
8 the return shall not be extended beyond the first day of the third month next
9 succeeding the regular due date of the return.

10 I. The department, with the approval of the attorney general, may
11 abate small tax balances if the administration costs exceed the amount of tax
12 due.

13 J. For the purposes of subsection D of this section, "taxpayer" means
14 the business entity under which the business reports and pays state income
15 taxes regardless of the number of offices at which the taxes imposed by this
16 article, article 6 of this chapter or chapter 6, article 3 of this title are
17 collected.

18 Sec. 2. Section 42-5014, Arizona Revised Statutes, as amended by Laws
19 2013, chapter 255, section 7, is amended to read:

20 42-5014. Return and payment of tax; estimated tax; extensions;
21 abatements

22 A. Except as provided in subsection B, C or D of this section, the
23 taxes levied under this article:

24 1. Are due and payable monthly in the form required by section 42-5018
25 for the amount of the tax, to the department, on or before the twentieth day
26 of the month next succeeding the month in which the tax accrues.

27 2. Are delinquent as follows:

28 (a) For taxpayers electing to file by mail, if not postmarked on or
29 before the twenty-fifth day of that month or if not received by the
30 department on or before the business day preceding the last business day of
31 the month.

32 (b) For taxpayers electing to file and pay electronically in any
33 month, if not received by the department on or before the last business day
34 of the month.

35 (c) For all other taxpayers, if not received by the department on or
36 before the business day preceding the last business day of the month.

37 B. The department, for any taxpayer whose estimated annual liability
38 for taxes imposed by this article is between ~~five hundred~~ TWO THOUSAND
39 dollars and ~~one~~ EIGHT thousand ~~two hundred fifty~~ dollars, ~~may~~ SHALL authorize
40 such taxpayer to pay such taxes on a quarterly basis. The department, for
41 any taxpayer whose estimated annual liability for taxes imposed by this
42 article is ~~five hundred~~ LESS THAN TWO THOUSAND dollars ~~or less~~, ~~may~~ SHALL
43 authorize such taxpayer to pay such taxes on an annual basis.

44 C. The department may require a taxpayer whose business is of a
45 transient character to file the return and remit the taxes imposed by this

1 article on a daily, a weekly or a transaction by transaction basis, and those
2 returns and payments are due and payable on the date fixed by the department
3 without a grace period otherwise allowed by this section. For the purposes
4 of this subsection, "business of a transient character" means sales activity
5 by a taxpayer not regularly engaged in selling within the state conducted
6 from vehicles, portable stands, rented spaces, structures or booths, or
7 concessions at fairs, carnivals, circuses, festivals or similar activities
8 for not more than thirty consecutive days.

9 D. In 2010, 2011 and 2012, if a business entity under which a taxpayer
10 reports and pays income tax under title 43 has an annual total tax liability
11 under this article, article 6 of this chapter and chapter 6, article 3 of
12 this title in calendar year 2010, 2011 or 2012 of one hundred thousand
13 dollars or more, based on the actual tax liability in calendar year 2009,
14 2010 or 2011, regardless of the number of offices at which the taxes imposed
15 by this article, article 6 of this chapter or chapter 6, article 3 of this
16 title are collected, or if the taxpayer can reasonably anticipate such
17 liability in calendar year 2010, 2011 or 2012, the taxpayer shall report on a
18 form prescribed by the department and pay an estimated tax payment in June,
19 2010, 2011 or 2012. Thereafter, if the business entity under which a
20 taxpayer reports and pays income tax under title 43 has an annual total tax
21 liability under this article, article 6 of this chapter and chapter 6,
22 article 3 of this title of one million dollars or more, based on the actual
23 tax liability in the preceding calendar year, regardless of the number of
24 offices at which the taxes imposed by this article, article 6 of this chapter
25 or chapter 6, article 3 of this title are collected, or if the taxpayer can
26 reasonably anticipate such liability in the current year, the taxpayer shall
27 report on a form prescribed by the department and pay an estimated tax
28 payment each June. Any other taxpayer may voluntarily elect to pay the
29 estimated tax payment pursuant to this subsection. The payment shall be made
30 on or before June 20 and is delinquent if not postmarked on or before that
31 date or if not received by the department on or before the business day
32 preceding the last business day of June for those taxpayers electing to file
33 by mail, or delinquent if not received by the department on the business day
34 preceding the last business day of June for those taxpayers electing to file
35 in person. The estimated tax paid shall be credited against the taxpayer's
36 tax liability under this article, article 6 of this chapter and chapter 6,
37 article 3 of this title for the month of June for the current calendar year.
38 The estimated tax payment shall equal either:

39 1. One-half of the actual tax liability under this article plus
40 one-half of any tax liability under article 6 of this chapter and chapter 6,
41 article 3 of this title for May of the current calendar year.

42 2. The actual tax liability under this article plus any tax liability
43 under article 6 of this chapter and chapter 6, article 3 of this title for
44 the first fifteen days of June of the current calendar year.

1 E. The taxpayer shall prepare a return showing the amount of the tax
2 for which the taxpayer is liable for the preceding month, and shall mail or
3 deliver the return to the department in the same manner and time as
4 prescribed for the payment of taxes in subsection A of this section. If the
5 taxpayer fails to file the return in the manner and time as prescribed for
6 the payment of taxes in subsection A of this section, the amount of the tax
7 required to be shown on the return is subject to the penalty imposed pursuant
8 to section 42-1125, subsection A, without any reduction for taxes paid on or
9 before the due date of the return. The return shall be verified by the oath
10 of the taxpayer or an authorized agent or as prescribed by the department
11 pursuant to section 42-1105, subsection B.

12 F. Any person who is taxable under this article and who makes cash and
13 credit sales shall report such cash and credit sales separately and ~~upon~~ ON
14 making application may obtain from the department an extension of time for
15 payment of taxes due on the credit sales. The extension shall be granted by
16 the department under such rules as the department prescribes. When the
17 extension is granted, the taxpayer shall thereafter include in each monthly
18 report all collections made on such credit sales during the month next
19 preceding and shall pay the taxes due at the time of filing such report.

20 G. The returns required under this article shall be made ~~upon~~ ON forms
21 prescribed by the department and shall capture data with sufficient
22 specificity to meet the needs of all taxing jurisdictions.

23 H. The department, for good cause, may extend the time for making any
24 return required by this article and may grant such reasonable additional time
25 within which to make the return as it deems proper, but the time for filing
26 the return shall not be extended beyond the first day of the third month next
27 succeeding the regular due date of the return.

28 I. The department, with the approval of the attorney general, may
29 abate small tax balances if the administration costs exceed the amount of tax
30 due.

31 J. For the purposes of subsection D of this section, "taxpayer" means
32 the business entity under which the business reports and pays state income
33 taxes regardless of the number of offices at which the taxes imposed by this
34 article, article 6 of this chapter or chapter 6, article 3 of this title are
35 collected.

36 Sec. 3. Effective date

37 Section 42-5014, Arizona Revised Statutes, as amended by Laws 2013,
38 chapter 255, section 7 and this act, is effective from and after December 31,
39 2014.