

ARIZONA HOUSE OF REPRESENTATIVES  
Fifty-second Legislature – First Regular Session

**COMMITTEE ON WAYS AND MEANS**

Report of Special Meeting  
Thursday, January 22, 2015  
House Hearing Room 3 -- 11:30 a.m. or upon recess or adjn. of floor

**Convened** 11:54 a.m.

**Recessed**

**Reconvened**

**Adjourned** 12:16 p.m.

**Members Present**

Mr. Cardenas  
Mr. Mesnard  
Mr. Olson  
Mrs. Ugenti  
Mr. Weninger  
Mr. Wheeler  
Mr. Kern, Vice-Chairman  
Mr. Mitchell, Chairman

**Members Absent**

Mr. Sherwood

**Request to Speak**

Report – Attachment 1

**Presentations**

**Name**

**Organization**

**Attachments**

**(Handouts)**

Adoption of Committee Rules

2

**Committee Action**

**Bill**

**Action**

**Vote**

**Attachments (Summaries,  
Amendments, Roll Call)**

HB2001 DP

8-0-0-1

3, 4

  
\_\_\_\_\_  
Abby Selvey, Chairman Assistant  
January 23, 2015

(Original attachments on file in the Office of the Chief Clerk; video archives available at <http://www.azleg.gov>)

# Information Registered on the Request to Speak System

---

*House Ways and Means (1/22/2015)*

## **HB2001, income tax brackets; inflation index**

### **Support:**

Scot Mussi, Arizona Free Enterprise Club; Farrell Quinlan, State Director, NATIONAL FEDERATION OF INDEPENDENT BUSINESS; Byron Schlomach, representing self; Tom Jenney, AMERICANS FOR PROSPERITY AZ; Krystal Slivinski, AMERICANS FOR PROSPERITY AZ; Jose Borrajero, representing self; Jeff Sandquist, NAIOP; Chad Guzman, AZ PUBLIC SERVICE COMPANY (APS); Michael DiMaria, CENTURYLINK, INC; Garrick Taylor, Arizona Chamber Of Commerce And Industry; Jeff Sandquist, TUCSON ELECTRIC POWER COMPANY; Robert Medler, Tucson Metro Chamber; Eric Emmert, East Valley Chambers Of Commerce Alliance ; Rick Murray, Arizona Small Business Association; Jay Kaprosy, Arizona Bankers Association; Jason Bagley, INTEL CORPORATION; James Norton, Arizona Manufacturers Council; Steven Eddy, TUCSON ELECTRIC POWER COMPANY

### **Neutral:**

Leonard Clark Clark, representing self

### **All Comments:**

Farrell Quinlan, NATIONAL FEDERATION OF INDEPENDENT BUSINESS: The small business community strongly favors the permanent indexing of Arizona's income tax brackets so inflation doesn't rob taxpayers of more money by pushing them into a higher tax bracket.; Byron Schlomach, Self: I am giving my opinion as an economist at the Goldwater Institute as requested by Rep. Olson.; Tom Jenney, AMERICANS FOR PROSPERITY AZ: HB 2001 is one of AFP-Arizona's key bills for the 2015 session. Thank you for voting Aye.; Krystal Slivinski, AMERICANS FOR PROSPERITY AZ: Americans for Prosperity - AZ supports this bill.

**COMMITTEE ON WAYS AND MEANS**  
**STANDING COMMITTEE RULES**

- RULE 1.** A majority of the members of the committee shall constitute a quorum. No official action may be taken unless a quorum is present in person at the time of taking such action.
- RULE 2.** The chairman sets the agenda and determines the order of measures.
- RULE 3.** The following motions are customary and in order relating to actions on measures:
1. Do pass
  2. Do pass as amended
  3. Return for consideration of the House
  4. Hold for further study
  5. Do not pass
  6. Be assigned to subcommittee for....
- RULE 4.** The affirmative vote of a majority of those voting is required to take any action.
- RULE 5.** On a roll call vote the names of committee members shall be called alphabetically by surname; except that the vice chairman and the chairman shall be called upon last. Each member present shall be allowed to pass on one call of the roll, and shall vote "yes" or "no" (aye, nay) or respond "present". Members may change their votes before the announcement of the results and members may explain their vote on any measure.
- RULE 6.** Whenever a measure is reported from the committee on a divided vote, any member may request a minority report.
- RULE 7.** Amendments shall be in order if printed and distributed to committee members by 2:00 p.m. of the day previous to the committee meeting. Non-substantive verbal amendments, if short and if no objections are made by the committee members, may be offered during the committee meetings.

In accordance with Rule 9 of the House Rules, the following House Rules are also incorporated into the Committee Rules:

- RULE 9(C)** Each Standing Committee shall adopt and file with the Chief Clerk's Office rules of procedure consistent with the Rules of the House and shall include the following:
1. With the exception of executive sessions ordered by a majority of the committee constituting a quorum, all committee meetings shall be open to the other members of the Legislature, the press and public so long as proper decorum is maintained.
  2. All committees shall meet at regularly scheduled times and places unless canceled with the permission of the Speaker. In the absence of the chairman, the vice chairman shall preside. In the absence of both the chairman and vice chairman, some other committee member designated by the Speaker shall preside.
  3. The committee chairman (presiding officer) other than the chairman of the Committee on Rules shall prepare an agenda and distribute copies to committee

members, the Information Desk and the Chief Clerk's Office by 4:00 p.m. each Wednesday for all standing committees meeting on Monday of the following week and by 4:00 p.m. each Thursday for all standing committees meeting on any day except Monday of the following week. Except by unanimous consent of the committee, the committee chairman may add a legislative measure to a distributed agenda by distributing a revised agenda to committee members, the Information Desk and the Chief Clerk's Office no later than 4:00 P.M. on the second previous working day, excluding Saturdays, Sundays and holidays, before the committee meeting

4. A bill not on the committee agenda shall be scheduled for discussion at the next subsequent committee meeting by a presentation of a petition containing the signatures of two-thirds or more of the committee members
5. A roll call vote shall be taken in each standing committee when final action on any bill is voted
6. Written committee minutes shall be filed with the Chief Clerk's Office within a reasonable time but no later than two weeks from time of completion of meetings. An audio recording of the meeting shall be open to public inspection in the Chief Clerk's Office three working days after the meeting. Attendance records of all committee meetings shall be filed with the Chief Clerk's Office within 24 hours from time of completion of meetings.
7. Special meetings may be called by the chairman but require permission of the Speaker and notice to members and the general public at the Information Desk BY 4:00 P.M. on the previous day, except that the notice of a special meeting of the Committee on Rules may be given in open session prior to the meeting and does not require the Speaker's permission.

**RULE 9(E)**

No committee other than the Committee on Rules shall meet while the House is meeting in session without special permission of the Speaker.



# HOUSE OF REPRESENTATIVES

HB 2001

income tax brackets; inflation index

Sponsor: Representative Olson

---

X Committee on Ways and Means

Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2001 requires the Arizona Department of Revenue (DOR) to adjust the income dollar amounts for each tax bracket in accordance with the annual change in the Metropolitan Phoenix Consumer Price Index.

## HISTORY

Individual income tax is levied on personal income of full-time residents and a pro-rated amount for part-time residents. Income tax revenue is collected from wage and salary based income, as well as final payments and refunds after state tax returns have been filed.

Arizona Revised Statutes § 43-1011 prescribes taxable income dollar amounts and rates between 2.59% and 4.54% for single and joint filers that are adjusted based upon individual income earnings.

The Consumer Price Index (CPI) is used by the United States Bureau of Labor Statistics to measure the average prices paid by consumers for goods and services. The CPI is used to determine inflation rates both nationally and for major metropolitan areas ([www.bls.gov](http://www.bls.gov)).

## PROVISIONS

1. Requires DOR to increase the income dollar amount of each tax income bracket to compensate for the annual change in the Metropolitan Phoenix CPI for each year beginning from and after December 31, 2015.
2. Stipulates that the revised dollar amount shall be raised to the nearest whole dollar.
3. Prohibits the dollar amount from being revised below the amount prescribed in the prior tax year.

**ARIZONA HOUSE OF REPRESENTATIVES**  
**Fifty-second Legislature - First Regular Session**

**ROLL CALL VOTE**

COMMITTEE ON WAYS AND MEANS BILL NO. HB 2001

DATE January 22, 2015 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Cardenas		✓			
Mr. Mesnard		✓			
Mr. Olson		✓			
Mr. Sherwood					✓
Mrs. Ugenti		✓			
Mr. Weninger		✓			
Mr. Wheeler		✓			
Mr. Kern, Vice-Chairman		✓			
Mr. Mitchell, Chairman		✓			
		8	0	0	1

APPROVED:

  
 DARIN MITCHELL, Chairman  
 ANTHONY KERN, Vice-Chairman

  
 COMMITTEE SECRETARY

ATTACHMENT 4