

REFERENCE TITLE: tax credits; sunset

State of Arizona
Senate
Fifty-second Legislature
Second Regular Session
2016

SB 1177

Introduced by
Senators Farley, Dalessandro, Hobbs, Sherwood; Representative Mach:
Senators Contreras, Pancrazi

AN ACT

AMENDING SECTIONS 42-2003, 42-5016 AND 42-5017, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 5, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-5042; AMENDING SECTION 43-221, ARIZONA REVISED STATUTES; REPEALING SECTION 43-222, ARIZONA REVISED STATUTES; PROVIDING FOR RENUMBERING; AMENDING SECTION 43-222, ARIZONA REVISED STATUTES, AS RENUMBERED BY THIS ACT; AMENDING TITLE 43, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 43-223.18, 43-223.19, 43-223.20, 43-223.21, 43-223.22, 43-223.23, 43-223.24, 43-223.25, 43-223.26 AND 43-223.27; RELATING TO TAX CREDITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-2003, Arizona Revised Statutes, is amended to
3 read:

4 42-2003. Authorized disclosure of confidential information

5 A. Confidential information relating to:

6 1. A taxpayer may be disclosed to the taxpayer, its successor in
7 interest or a designee of the taxpayer who is authorized in writing by the
8 taxpayer. A principal corporate officer of a parent corporation may execute
9 a written authorization for a controlled subsidiary.

10 2. A corporate taxpayer may be disclosed to any principal officer, any
11 person designated by a principal officer or any person designated in a
12 resolution by the corporate board of directors or other similar governing
13 body.

14 3. A partnership may be disclosed to any partner of the partnership.
15 This exception does not include disclosure of confidential information of a
16 particular partner unless otherwise authorized.

17 4. An estate may be disclosed to the personal representative of the
18 estate and to any heir, next of kin or beneficiary under the will of the
19 decedent if the department finds that the heir, next of kin or beneficiary
20 has a material interest ~~which~~ THAT will be affected by the confidential
21 information.

22 5. A trust may be disclosed to the trustee or trustees, jointly or
23 separately, and to the grantor or any beneficiary of the trust if the
24 department finds that the grantor or beneficiary has a material interest that
25 will be affected by the confidential information.

26 6. Any taxpayer may be disclosed if the taxpayer has waived any rights
27 to confidentiality either in writing or on the record in any administrative
28 or judicial proceeding.

29 7. The name and taxpayer identification numbers of persons issued
30 direct payment permits may be publicly disclosed.

31 B. Confidential information may be disclosed to:

32 1. Any employee of the department whose official duties involve tax
33 administration.

34 2. The office of the attorney general solely for its use in
35 preparation for, or in an investigation that may result in, any proceeding
36 involving tax administration before the department or any other agency or
37 board of this state, or before any grand jury or any state or federal court.

38 3. The department of liquor licenses and control for its use in
39 determining whether a spirituous liquor licensee has paid all transaction
40 privilege taxes and affiliated excise taxes incurred as a result of the sale
41 of spirituous liquor, as defined in section 4-101, at the licensed
42 establishment and imposed on the licensed establishments by this state and
43 its political subdivisions.

1 4. Other state tax officials whose official duties require the
2 disclosure for proper tax administration purposes if the information is
3 sought in connection with an investigation or any other proceeding conducted
4 by the official. Any disclosure is limited to information of a taxpayer who
5 is being investigated or who is a party to a proceeding conducted by the
6 official.

7 5. The following agencies, officials and organizations, if they grant
8 substantially similar privileges to the department for the type of
9 information being sought, pursuant to statute and a written agreement between
10 the department and the foreign country, agency, state, Indian tribe or
11 organization:

12 (a) The United States internal revenue service, alcohol and tobacco
13 tax and trade bureau of the United States treasury, United States bureau of
14 alcohol, tobacco, firearms and explosives of the United States department of
15 justice, United States drug enforcement agency and federal bureau of
16 investigation.

17 (b) A state tax official of another state.

18 (c) An organization of states, federation of tax administrators or
19 multistate tax commission that operates an information exchange for tax
20 administration purposes.

21 (d) An agency, official or organization of a foreign country with
22 responsibilities that are comparable to those listed in subdivision (a), (b)
23 or (c) of this paragraph.

24 (e) An agency, official or organization of an Indian tribal government
25 with responsibilities comparable to the responsibilities of the agencies,
26 officials or organizations identified in subdivision (a), (b) or (c) of this
27 paragraph.

28 6. The auditor general, in connection with any audit of the department
29 subject to the restrictions in section 42-2002, subsection D.

30 7. Any person to the extent necessary for effective tax administration
31 in connection with:

32 (a) The processing, storage, transmission, destruction and
33 reproduction of the information.

34 (b) The programming, maintenance, repair, testing and procurement of
35 equipment for purposes of tax administration.

36 (c) The collection of the taxpayer's civil liability.

37 8. The office of administrative hearings relating to taxes
38 administered by the department pursuant to section 42-1101, but the
39 department shall not disclose any confidential information:

40 (a) Regarding income tax or withholding tax.

41 (b) On any tax issue relating to information associated with the
42 reporting of income tax or withholding tax.

43 9. The United States treasury inspector general for tax administration
44 for the purpose of reporting a violation of internal revenue code section

1 7213A (26 United States Code section 7213A), unauthorized inspection of
2 returns or return information.

3 10. The financial management service of the United States treasury
4 department for use in the treasury offset program.

5 11. The United States treasury department or its authorized agent for
6 use in the state income tax levy program and in the electronic federal tax
7 payment system.

8 12. The Arizona commerce authority for its use in:

9 (a) Qualifying renewable energy operations for the tax incentives
10 under sections 42-12006, 43-1083.01 and 43-1164.01.

11 (b) Qualifying businesses with a qualified facility for income tax
12 credits under sections 43-1083.03 and 43-1164.04.

13 (c) Fulfilling its annual reporting responsibility pursuant to section
14 41-1511, subsections U and V and section 41-1512, subsections U and V.

15 (d) Certifying computer data centers for tax relief under section
16 41-1519.

17 13. A prosecutor for purposes of section 32-1164, subsection C.

18 14. The state fire marshal for use in determining compliance with and
19 enforcing title 41, chapter 16, article 3.1.

20 15. The department of transportation for its use in administering
21 taxes, surcharges and penalties prescribed by title 28.

22 16. The Arizona health care cost containment system administration for
23 its use in administering nursing facility provider assessments.

24 C. Confidential information may be disclosed in any state or federal
25 judicial or administrative proceeding pertaining to tax administration
26 pursuant to the following conditions:

27 1. One or more of the following circumstances must apply:

28 (a) The taxpayer is a party to the proceeding.

29 (b) The proceeding arose out of, or in connection with, determining
30 the taxpayer's civil or criminal liability, or the collection of the
31 taxpayer's civil liability, with respect to any tax imposed under this title
32 or title 43.

33 (c) The treatment of an item reflected on the taxpayer's return is
34 directly related to the resolution of an issue in the proceeding.

35 (d) Return information directly relates to a transactional
36 relationship between a person who is a party to the proceeding and the
37 taxpayer and directly affects the resolution of an issue in the proceeding.

38 2. Confidential information may not be disclosed under this subsection
39 if the disclosure is prohibited by section 42-2002, subsection C or D.

40 D. Identity information may be disclosed for purposes of notifying
41 persons entitled to tax refunds if the department is unable to locate the
42 persons after reasonable effort.

43 E. The department, on the request of any person, shall provide the
44 names and addresses of bingo licensees as defined in section 5-401, verify

1 whether or not a person has a privilege license and number, a tobacco product
2 distributor's license and number or a withholding license and number or
3 disclose the information to be posted on the department's website or
4 otherwise publicly accessible pursuant to section 42-1124, subsection F and
5 section 42-3401.

6 F. A department employee, in connection with the official duties
7 relating to any audit, collection activity or civil or criminal
8 investigation, may disclose return information to the extent that disclosure
9 is necessary to obtain information that is not otherwise reasonably
10 available. These official duties include the correct determination of and
11 liability for tax, the amount to be collected or the enforcement of other
12 state tax revenue laws.

13 G. If an organization is exempt from this state's income tax as
14 provided in section 43-1201 for any taxable year, the name and address of the
15 organization and the application filed by the organization on which the
16 department made its determination for exemption together with any papers
17 submitted in support of the application and any letter or document issued by
18 the department concerning the application are open to public inspection.

19 H. Confidential information relating to transaction privilege tax, use
20 tax, severance tax, jet fuel excise and use tax and any other tax collected
21 by the department on behalf of any jurisdiction may be disclosed to any
22 county, city or town tax official if the information relates to a taxpayer
23 who is or may be taxable by a county, city or town or who may be subject to
24 audit by the department pursuant to section 42-6002. Any taxpayer
25 information released by the department to the county, city or town:

26 1. May only be used for internal purposes, including audits.

27 2. May not be disclosed to the public in any manner that does not
28 comply with confidentiality standards established by the department. The
29 county, city or town shall agree in writing with the department that any
30 release of confidential information that violates the confidentiality
31 standards adopted by the department will result in the immediate suspension
32 of any rights of the county, city or town to receive taxpayer information
33 under this subsection.

34 I. The department may disclose statistical information gathered from
35 confidential information if it does not disclose confidential information
36 attributable to any one taxpayer. The department may disclose statistical
37 information gathered from confidential information, even if it discloses
38 confidential information attributable to a taxpayer, to:

39 1. The state treasurer in order to comply with the requirements of
40 section 42-5029, subsection A, paragraph 3.

41 2. The joint legislative income tax credit [SUNSET](#) review committee,
42 the joint legislative budget committee staff and the legislative staff in
43 order to comply with the requirements of section 43-221.

1 J. The department may disclose the aggregate amounts of any tax
2 credit, tax deduction or tax exemption enacted after January 1, 1994.
3 Information subject to disclosure under this subsection shall not be
4 disclosed if a taxpayer demonstrates to the department that such information
5 would give an unfair advantage to competitors.

6 K. Except as provided in section 42-2002, subsection C, confidential
7 information, described in section 42-2001, paragraph 1, subdivision (a), item
8 (ii), may be disclosed to law enforcement agencies for law enforcement
9 purposes.

10 L. The department may provide transaction privilege tax license
11 information to property tax officials in a county for the purpose of
12 identification and verification of the tax status of commercial property.

13 M. The department may provide transaction privilege tax, luxury tax,
14 use tax, property tax and severance tax information to the ombudsman-citizens
15 aide pursuant to title 41, chapter 8, article 5.

16 N. Except as provided in section 42-2002, subsection D, a court may
17 order the department to disclose confidential information pertaining to a
18 party to an action. An order shall be made only ~~upon~~ ON a showing of good
19 cause and that the party seeking the information has made demand ~~upon~~ ON the
20 taxpayer for the information.

21 O. This section does not prohibit the disclosure by the department of
22 any information or documents submitted to the department by a bingo licensee.
23 Before disclosing the information the department shall obtain the name and
24 address of the person requesting the information.

25 P. If the department is required or permitted to disclose confidential
26 information, it may charge the person or agency requesting the information
27 for the reasonable cost of its services.

28 Q. Except as provided in section 42-2002, subsection D, the department
29 of revenue shall release confidential information as requested by the
30 department of economic security pursuant to section 42-1122 or 46-291.
31 Information disclosed under this subsection is limited to the same type of
32 information that the United States internal revenue service is authorized to
33 disclose under section 6103(1)(6) of the internal revenue code.

34 R. Except as provided in section 42-2002, subsection D, the department
35 of revenue shall release confidential information as requested by the courts
36 and clerks of the court pursuant to section 42-1122.

37 S. To comply with the requirements of section 42-5031, the department
38 may disclose to the state treasurer, to the county stadium district board of
39 directors and to any city or town tax official that is part of the county
40 stadium district confidential information attributable to a taxpayer's
41 business activity conducted in the county stadium district.

42 T. The department shall release to the attorney general confidential
43 information as requested by the attorney general for purposes of determining
44 compliance with or enforcing any of the following:

1 1. Any public health control law relating to tobacco sales as provided
2 under title 36, chapter 6, article 14.

3 2. Any law relating to reduced cigarette ignition propensity standards
4 as provided under title 41, chapter 16, article 3.1.

5 3. Sections 44-7101 and 44-7111, the master settlement agreement
6 referred to in those sections and all agreements regarding disputes under the
7 master settlement agreement.

8 U. For proceedings before the department, the office of administrative
9 hearings, the board of tax appeals or any state or federal court involving
10 penalties that were assessed against a return preparer, an electronic return
11 preparer or a payroll service company pursuant to section 42-1103.02,
12 42-1125.01 or 43-419, confidential information may be disclosed only before
13 the judge or administrative law judge adjudicating the proceeding, the
14 parties to the proceeding and the parties' representatives in the proceeding
15 prior to its introduction into evidence in the proceeding. The confidential
16 information may be introduced as evidence in the proceeding only if the
17 taxpayer's name, the names of any dependents listed on the return, all social
18 security numbers, the taxpayer's address, the taxpayer's signature and any
19 attachments containing any of the foregoing information are redacted and if
20 either:

21 1. The treatment of an item reflected on such return is or may be
22 related to the resolution of an issue in the proceeding.

23 2. Such A return or THE return information relates or may relate to a
24 transactional relationship between a person who is a party to the proceeding
25 and the taxpayer ~~which~~ THAT directly affects the resolution of an issue in
26 the proceeding.

27 3. The method of payment of the taxpayer's withholding tax liability
28 or the method of filing the taxpayer's withholding tax return is an issue for
29 the period.

30 V. The department and attorney general may share the information
31 specified in subsection T of this section with any of the following:

32 1. Federal, state or local agencies for the purposes of enforcement of
33 corresponding laws of other states.

34 2. A court, arbitrator, data clearinghouse or similar entity for the
35 purpose of assessing compliance with or making calculations required by the
36 master settlement agreement or agreements regarding disputes under the master
37 settlement agreement, and with counsel for the parties or expert witnesses in
38 any such proceeding, if the information otherwise remains confidential.

39 W. The department may provide the name and address of qualifying
40 hospitals and qualifying health care organizations, as defined in section
41 42-5001, to a business classified and reporting transaction privilege tax
42 under the utilities classification.

43 X. The department may disclose to an official of any city, town or
44 county in a current agreement or considering a prospective agreement with the

1 department as described in section 42-5032.02, subsection F any information
2 relating to amounts subject to distribution required by section 42-5032.02.
3 Information disclosed by the department under this subsection:

4 1. May only be used by the city, town or county for internal purposes.

5 2. May not be disclosed to the public in any manner that does not
6 comply with confidentiality standards established by the department. The
7 city, town or county must agree with the department in writing that any
8 release of confidential information that violates the confidentiality
9 standards will result in the immediate suspension of any rights of the city,
10 town or county to receive information under this subsection.

11 Sec. 2. Section 42-5016, Arizona Revised Statutes, is amended to read:

12 42-5016. Credit for telecommunications service revenue
13 reductions

14 A. THROUGH DECEMBER 31, 2026, a credit is allowed against the taxes
15 imposed by this article and other affiliated excise taxes for taxpayers in
16 the business of selling and delivering telecommunications services to
17 residential customers in an amount equal to the dollar amount of payments for
18 telecommunications services not received by the taxpayer that are directly
19 attributable to the rate of assistance provided under title 46, chapter 6,
20 article 1.

21 B. The taxpayer shall claim the credit for each tax period in such
22 manner as prescribed by the department, that may be incorporated in the
23 return form prescribed by section 42-5014. A claim for credit is not allowed
24 if the taxpayer fails to pay the tax due before the payment becomes
25 delinquent. If the taxpayer subsequently disallows or recovers any amount
26 claimed as rate assistance under title 46, chapter 6, article 1 and received
27 as a credit under this section in a previous tax period, that amount shall be
28 subtracted from the credit allowed under this section for the next tax period
29 following the disallowance or recovery.

30 C. The amount under this section is presumed to be revenues for the
31 purpose of determining the total amount to be applied against the
32 appropriation limitation prescribed under article IX, section 17,
33 Constitution of Arizona.

34 Sec. 3. Section 42-5017, Arizona Revised Statutes, is amended to read:

35 42-5017. Credit for accounting and reporting expenses;
36 definition

37 A. THROUGH DECEMBER 31, 2026, a credit is allowed against the taxes
38 imposed by this article and article 5 of this chapter for expenses incurred
39 by the taxpayer in accounting and reporting those taxes. The credit is equal
40 to one ~~per-cent~~ **PERCENT** of the amount of tax due but not to exceed a total of
41 ten thousand dollars in any calendar year for the combined total of all
42 business premises of a taxpayer. Estimated taxes under section 42-5014,
43 subsection D are not considered a separate reporting period.

1 B. A taxpayer shall claim the credit for each tax period on forms
2 prescribed and furnished by the department, which may be incorporated in the
3 return form prescribed pursuant to section 42-5014. A claim for credit is
4 not allowed if the taxpayer fails to pay the tax due, plus any estimated tax
5 liability, before the payment becomes delinquent.

6 C. As used in this section, "taxpayer" means the business entity under
7 which the business reports for state income tax purposes or an entity that is
8 exempt from state income tax.

9 Sec. 4. Title 42, chapter 5, article 1, Arizona Revised Statutes, is
10 amended by adding section 42-5042, to read:

11 42-5042. Requirements for new transaction privilege and use tax
12 credits enacted by the legislature

13 ANY NEW CREDIT AGAINST TRANSACTION PRIVILEGE OR USE TAX THAT IS ENACTED
14 BY THE LEGISLATURE UNDER THIS CHAPTER SHALL INCLUDE IN ITS ENABLING
15 LEGISLATION A SPECIFIC REPEAL DATE FOR THE CREDIT THAT IS FROM AND AFTER
16 DECEMBER 31 OF NOT LATER THAN THE TENTH FULL CALENDAR YEAR FOLLOWING THE DATE
17 THE CREDIT IS ENACTED.

18 Sec. 5. Section 43-221, Arizona Revised Statutes, is amended to read:

19 43-221. Joint legislative income tax credit sunset review
20 committee; committee termination

21 A. The joint legislative income tax credit SUNSET review committee is
22 established consisting of the following members:

23 1. Five members of the house of representatives ways and means
24 committee WHO ARE appointed by the speaker of the house of representatives.
25 Not more than three appointees shall be of the same political party.

26 2. Five members of the senate finance committee WHO ARE appointed by
27 the president of the senate. Not more than three appointees shall be of the
28 same political party.

29 B. The committee shall determine the original purpose of ~~existing tax~~
30 ~~credits~~ EACH TAX CREDIT PRESCRIBED IN THIS TITLE and establish a standard for
31 evaluating and measuring the success or failure of ~~the tax credits~~ EACH
32 CREDIT. The standard for evaluating tax credits may include:

33 1. The history, rationale and estimated revenue impact of the credit.

34 2. Whether the credit has provided a benefit to this state, including,
35 for corporate tax credits, measurable economic development, new investments,
36 creation of new jobs or retention of existing jobs in this state.

37 3. Whether the credit is unnecessarily complex in the application,
38 administration and approval process.

39 C. The committee shall review the individual and corporate income tax
40 credits ~~pursuant to the schedule prescribed in section 43-222~~ DURING THE
41 TWELVE MONTHS BEFORE THE REPEAL DATE PRESCRIBED BY THIS ARTICLE. The
42 committee shall use the joint legislative budget committee staff and may use
43 the staff of the department of revenue and legislative council for
44 assistance.

1 D. After completing the review process, the committee shall determine
2 whether the credit should be amended, ~~repealed or~~ retained OR ALLOWED TO BE
3 REPEALED. If the credit is recommended to be retained or amended, the
4 committee shall recommend that the credit be ~~returned to the income tax~~
5 ~~credit review schedule prescribed in section 43-222. The next review year~~
6 ~~shall be the fifth full calendar year following the date the credit was~~
7 ~~reviewed~~ ASSIGNED A SUBSEQUENT REPEAL DATE AND AN APPROPRIATE YEAR FOR
8 SUBSEQUENT REVIEW BY THE COMMITTEE WITHIN THE NEXT TEN YEARS. The committee
9 shall report its findings and recommendations to the president of the senate,
10 the speaker of the house of representatives and the governor by December 15
11 of the year that the committee reviews the credit. The committee shall
12 provide a copy of the report to the ~~director of the Arizona state library,~~
13 ~~archives and public records~~ SECRETARY OF STATE AND THE DIRECTOR OF THE
14 DEPARTMENT OF REVENUE.

15 E. The committee established by this section ends on July 1, ~~2022~~ 2027
16 pursuant to section 41-3103.

17 Sec. 6. Repeal

18 Section 43-222, Arizona Revised Statutes, is repealed.

19 Sec. 7. Section 43-223, Arizona Revised Statutes, is renumbered as
20 section 43-222 and as renumbered, is amended to read:

21 43-222. Requirements for new income tax credits enacted by the
22 legislature

23 Any new individual or corporate income tax credit that is enacted by
24 the legislature shall include in its enabling legislation:

25 1. A specific review year for the joint legislative income tax credit
26 SUNSET review committee to review the credit. The specific review year shall
27 be NOT LATER THAN the ~~fifth~~ TENTH full calendar year following the date the
28 credit is enacted.

29 2. A SPECIFIC REPEAL DATE FOR THE CREDIT OF FROM AND AFTER DECEMBER 31
30 OF NOT LATER THAN THE REVIEW YEAR.

31 ~~2-~~ 3. A purpose clause that explains the rationale and objective of
32 the tax credit.

33 Sec. 8. Title 43, chapter 2, article 2, Arizona Revised Statutes, is
34 amended by adding sections 43-223.18 through 43-223.27, to read:

35 43-223.18. Repeal of income tax credits; 2018

36 A. THE FOLLOWING ARE REPEALED FROM AND AFTER DECEMBER 31, 2017:

37 1. SECTION 43-1074.02, RELATING TO INVESTMENT IN QUALIFIED SMALL
38 BUSINESSES.

39 2. SECTION 43-1083, RELATING TO SOLAR ENERGY DEVICES.

40 3. SECTIONS 43-1083.02 AND 43-1164.03, RELATING TO RENEWABLE ENERGY
41 PRODUCTION.

42 B. THE REPEAL APPLIES WITH RESPECT TO TAXABLE YEARS BEGINNING FROM AND
43 AFTER DECEMBER 31, 2017, BUT DOES NOT AFFECT THE CARRYFORWARD OF ANY PORTION
44 OF A TAX CREDIT TO WHICH A TAXPAYER IS ENTITLED.

- 1 43-223.19. Repeal of income tax credits; 2019
2 A. THE FOLLOWING ARE REPEALED FROM AND AFTER DECEMBER 31, 2018:
3 1. SECTIONS 43-1085.01 AND 43-1164.02, RELATING TO SOLAR LIQUID FUEL.
4 2. SECTIONS 43-1089, 43-1089.03, 43-1089.04, 43-1183 AND 43-1184,
5 RELATING TO SCHOOL TUITION ORGANIZATIONS.
6 B. THE REPEAL APPLIES WITH RESPECT TO TAXABLE YEARS BEGINNING FROM AND
7 AFTER DECEMBER 31, 2018, BUT DOES NOT AFFECT THE CARRYFORWARD OF ANY PORTION
8 OF A TAX CREDIT TO WHICH A TAXPAYER IS ENTITLED.
9 43-223.20. Repeal of income tax credits; 2020
10 A. THE FOLLOWING ARE REPEALED FROM AND AFTER DECEMBER 31, 2019:
11 1. SECTION 43-1073, RELATING TO THE FAMILY INCOME TAX CREDIT.
12 2. SECTIONS 43-1079 AND 43-1167, RELATING TO INCREASED EMPLOYMENT IN
13 MILITARY REUSE ZONES.
14 3. SECTIONS 43-1080 AND 43-1169, RELATING TO QUALIFIED ENVIRONMENTAL
15 TECHNOLOGY FACILITIES.
16 B. THE REPEAL APPLIES WITH RESPECT TO TAXABLE YEARS BEGINNING FROM AND
17 AFTER DECEMBER 31, 2019, BUT DOES NOT AFFECT THE CARRYFORWARD OF ANY PORTION
18 OF A TAX CREDIT TO WHICH A TAXPAYER IS ENTITLED.
19 43-223.21. Repeal of income tax credits; 2021
20 A. THE FOLLOWING ARE REPEALED FROM AND AFTER DECEMBER 31, 2020:
21 1. SECTIONS 43-1085 AND 43-1164, RELATING TO COMMERCIAL AND INDUSTRIAL
22 SOLAR ENERGY DEVICES.
23 2. SECTION 43-1086, RELATING TO THE MILITARY FAMILY RELIEF FUND.
24 3. SECTION 43-1089.01, RELATING TO CONTRIBUTIONS TO PUBLIC SCHOOLS.
25 B. THE REPEAL APPLIES WITH RESPECT TO TAXABLE YEARS BEGINNING FROM AND
26 AFTER DECEMBER 31, 2020, BUT DOES NOT AFFECT THE CARRYFORWARD OF ANY PORTION
27 OF A TAX CREDIT TO WHICH A TAXPAYER IS ENTITLED.
28 43-223.22. Repeal of income tax credits; 2022
29 A. THE FOLLOWING ARE REPEALED FROM AND AFTER DECEMBER 31, 2021:
30 1. SECTIONS 43-1089.02 AND 43-1181, RELATING TO DONATION OF SCHOOL
31 SITES.
32 2. SECTIONS 43-1090 AND 43-1176, RELATING TO SOLAR HOT WATER HEATER
33 PLUMBING STUB OUTS AND ELECTRIC VEHICLE RECHARGE OUTLETS.
34 3. SECTION 43-1178, RELATING TO COAL CONSUMED IN ELECTRICAL
35 GENERATION.
36 B. THE REPEAL APPLIES WITH RESPECT TO TAXABLE YEARS BEGINNING FROM AND
37 AFTER DECEMBER 31, 2021, BUT DOES NOT AFFECT THE CARRYFORWARD OF ANY PORTION
38 OF A TAX CREDIT TO WHICH A TAXPAYER IS ENTITLED.
39 43-223.23. Repeal of income tax credits; 2023
40 A. THE FOLLOWING ARE REPEALED FROM AND AFTER DECEMBER 31, 2022:
41 1. SECTIONS 43-1074.01 AND 43-1168, RELATING TO INCREASED RESEARCH
42 ACTIVITIES.
43 2. SECTIONS 43-1081 AND 43-1170, RELATING TO POLLUTION CONTROL
44 EQUIPMENT.

1 B. THE REPEAL APPLIES WITH RESPECT TO TAXABLE YEARS BEGINNING FROM AND
2 AFTER DECEMBER 31, 2022, BUT DOES NOT AFFECT THE CARRYFORWARD OF ANY PORTION
3 OF A TAX CREDIT TO WHICH A TAXPAYER IS ENTITLED.

4 43-223.24. Repeal of income tax credits; 2024

5 A. THE FOLLOWING ARE REPEALED FROM AND AFTER DECEMBER 31, 2023:

6 1. SECTIONS 43-1076 AND 43-1162, RELATING TO HEALTHY FOREST
7 ENTERPRISES.

8 2. SECTIONS 43-1076.01 AND 43-1162.01, RELATING TO ECOLOGICAL
9 RESTORATION WORKFORCE TRAINING.

10 3. SECTIONS 43-1074 AND 43-1161, RELATING TO NEW EMPLOYMENT.

11 B. THE REPEAL APPLIES WITH RESPECT TO TAXABLE YEARS BEGINNING FROM AND
12 AFTER DECEMBER 31, 2023, BUT DOES NOT AFFECT THE CARRYFORWARD OF ANY PORTION
13 OF A TAX CREDIT TO WHICH A TAXPAYER IS ENTITLED.

14 43-223.25. Repeal of income tax credits; 2025

15 A. THE FOLLOWING ARE REPEALED FROM AND AFTER DECEMBER 31, 2024:

16 1. SECTION 43-1084, RELATING TO AGRICULTURAL WATER CONSERVATION
17 SYSTEMS.

18 2. SECTIONS 43-1081.01 AND 43-1170.01, RELATING TO AGRICULTURAL
19 POLLUTION CONTROL EQUIPMENT.

20 3. SECTIONS 43-1083.01 AND 43-1164.01, RELATING TO RENEWABLE ENERGY
21 INDUSTRIES.

22 B. THE REPEAL APPLIES WITH RESPECT TO TAXABLE YEARS BEGINNING FROM AND
23 AFTER DECEMBER 31, 2024, BUT DOES NOT AFFECT THE CARRYFORWARD OF ANY PORTION
24 OF A TAX CREDIT TO WHICH A TAXPAYER IS ENTITLED.

25 43-223.26. Repeal of income tax credits; 2026

26 A. THE FOLLOWING ARE REPEALED FROM AND AFTER DECEMBER 31, 2025:

27 1. SECTIONS 43-1083.04 AND 43-1164.05, RELATING TO RENEWABLE ENERGY
28 INVESTMENT AND PRODUCTION FOR SELF-CONSUMPTION BY MANUFACTURERS AND
29 INTERNATIONAL OPERATIONS CENTERS.

30 2. SECTIONS 43-1083.03 AND 43-1164.04, RELATING TO QUALIFIED
31 FACILITIES.

32 B. THE REPEAL APPLIES WITH RESPECT TO TAXABLE YEARS BEGINNING FROM AND
33 AFTER DECEMBER 31, 2025, BUT DOES NOT AFFECT THE CARRYFORWARD OF ANY PORTION
34 OF A TAX CREDIT TO WHICH A TAXPAYER IS ENTITLED.

35 43-223.27. Repeal of income tax credits; 2027

36 A. THE FOLLOWING ARE REPEALED FROM AND AFTER DECEMBER 31, 2026:

37 1. SECTIONS 43-1079.01 AND 43-1167.01, RELATING TO EMPLOYING NATIONAL
38 GUARD MEMBERS.

39 2. SECTIONS 43-1087 AND 43-1175, RELATING TO EMPLOYING TEMPORARY
40 ASSISTANCE FOR NEEDY FAMILIES RECIPIENTS.

41 3. SECTION 43-1088, RELATING TO CONTRIBUTIONS TO QUALIFYING CHARITABLE
42 ORGANIZATIONS.

1 B. THE REPEAL APPLIES WITH RESPECT TO TAXABLE YEARS BEGINNING FROM AND
2 AFTER DECEMBER 31, 2026, BUT DOES NOT AFFECT THE CARRYFORWARD OF ANY PORTION
3 OF A TAX CREDIT TO WHICH A TAXPAYER IS ENTITLED.

4 Sec. 9. Requirements for enactment: two-thirds vote

5 Pursuant to article IX, section 22, Constitution of Arizona, this act
6 is effective only on the affirmative vote of at least two-thirds of the
7 members of each house of the legislature and is effective immediately on the
8 signature of the governor or, if the governor vetoes this act, on the
9 subsequent affirmative vote of at least three-fourths of the members of each
10 house of the legislature.