

House Engrossed

food; municipal tax; exemption

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

HOUSE CONCURRENT RESOLUTION 2021

A CONCURRENT RESOLUTION

ENACTING AND ORDERING THE SUBMISSION TO THE PEOPLE OF A MEASURE RELATING TO
MUNICIPAL TRANSACTION PRIVILEGE TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved by the House of Representatives of the State of Arizona, the
2 Senate concurring:

3 1. Under the power of the referendum, as vested in the Legislature,
4 the following measure, relating to municipal transaction privilege tax, is
5 enacted to become valid as a law if approved by the voters and on
6 proclamation of the Governor:

7 AN ACT

8 AMENDING SECTION 42-6015, ARIZONA REVISED STATUTES; RELATING TO
9 MUNICIPAL TRANSACTION PRIVILEGE TAX.

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

11 Section 1. Section 42-6015, Arizona Revised Statutes, is
12 amended to read:

13 42-6015. Municipal transaction privilege tax; food;
14 exemption

15 A. If a city, town or other taxing jurisdiction imposes
16 a transaction privilege, sales, use, franchise or other similar
17 tax or fee, however denominated, on:

18 1. SUBJECT TO SUBSECTION C OF THIS SECTION, the sale of
19 food items intended for human consumption as defined by rule
20 adopted pursuant to section 42-5106 or items prescribed by
21 section 42-5106, subsection D for home consumption, the tax must
22 be applied uniformly with respect to all food, and an additional
23 tax or fee differential may not be assessed or applied with
24 respect to any specific food item.

25 2. The sale of food items intended for human consumption
26 as defined by rule adopted pursuant to section 42-5106 or items
27 prescribed by section 42-5106, subsection D for consumption on
28 the premises, the tax must be applied uniformly with respect to
29 all food items, and an additional tax or fee differential may
30 not be assessed or applied with respect to any specific food
31 item.

32 B. A city, town or other taxing jurisdiction may not levy
33 a transaction privilege, sales, use, franchise or other similar
34 tax or fee, however denominated, with respect to:

35 1. FROM AND AFTER JUNE 30, 2027, THE SALE OF FOOD ITEMS
36 INTENDED FOR HUMAN CONSUMPTION AS DEFINED BY RULE ADOPTED
37 PURSUANT TO SECTION 42-5106 OR ITEMS PRESCRIBED BY SECTION
38 42-5106, SUBSECTION D FOR HOME CONSUMPTION UNLESS THE CITY, TOWN
39 OR OTHER TAXING JURISDICTION COMPLIES WITH THE REQUIREMENTS
40 PRESCRIBED IN SUBSECTION C OF THIS SECTION.

41 ~~±~~ 2. The manufacture, wholesale or distribution to or
42 among any wholesalers, distributors or retailers, ~~—~~ of food items
43 intended for human consumption as defined by rule adopted
44 pursuant to section 42-5106 or items prescribed by section

1 42-5106, subsection D for home consumption or for consumption
2 on the premises.

3 ~~2.~~ 3. Any container or packaging used exclusively for
4 transporting, protecting or consuming food items intended for
5 human consumption as defined by rule adopted pursuant to section
6 42-5106 or items prescribed by section 42-5106, subsection D
7 for home consumption or for consumption on the premises.

8 ~~3.~~ 4. The sale of food or other items purchased with
9 United States department of agriculture food stamp coupons
10 issued under the food stamp act of 1977 (P.L. 95-113; 91 Stat.
11 958) or food instruments issued under section 17 of the child
12 nutrition act (P.L. 95-627; 92 Stat. 3603; P.L. 99-661, section
13 4302; 42 United States Code section 1786) but may impose such
14 a tax consistent with this section on other sales of food.

15 ~~4.~~ 5. The sale of low or reduced-cost articles of food
16 or drink to eligible elderly or homeless persons or persons with
17 a disability by a business subject to tax under the restaurant
18 classification pursuant to section 42-5074 that contracts with
19 the department of economic security and that is approved by the
20 food and nutrition service of the United States department of
21 agriculture pursuant to the supplemental nutrition assistance
22 program established by the food and nutrition act of 2008
23 (7 United States Code sections 2011 through 2036c), if the
24 purchases are made with the benefits issued pursuant to the
25 supplemental nutrition assistance program.

26 C. TO IMPOSE A TRANSACTION PRIVILEGE, SALES, USE,
27 FRANCHISE OR OTHER SIMILAR TAX OR FEE, HOWEVER DENOMINATED,
28 PURSUANT TO SUBSECTION A, PARAGRAPH 1 OF THIS SECTION, A CITY,
29 TOWN OR OTHER TAXING JURISDICTION:

30 1. FOR A CITY, TOWN OR OTHER TAXING JURISDICTION THAT
31 HAS APPROVED THE IMPOSITION OF A TRANSACTION PRIVILEGE, SALES,
32 USE, FRANCHISE OR OTHER SIMILAR TAX OR FEE, HOWEVER DENOMINATED,
33 PURSUANT TO SUBSECTION A, PARAGRAPH 1 OF THIS SECTION ON OR
34 BEFORE JANUARY 1, 2025, ALL OF THE FOLLOWING APPLY:

35 (a) FOR A CITY, TOWN OR OTHER TAXING JURISDICTION THAT
36 IMPOSES A TRANSACTION PRIVILEGE, SALES, USE, FRANCHISE OR OTHER
37 SIMILAR TAX OR FEE, HOWEVER DENOMINATED, AT A RATE THAT IS LESS
38 THAN TWO PERCENT OF THE BASE, ANY INCREASE OF THE TRANSACTION
39 PRIVILEGE, SALES, USE, FRANCHISE OR OTHER SIMILAR TAX OR FEE,
40 HOWEVER DENOMINATED, MUST BE APPROVED BY THE VOTERS OF THE CITY,
41 TOWN OR OTHER TAXING JURISDICTION AND MAY NOT BE MORE THAN TWO
42 PERCENT OF THE TAX BASE.

43 (b) FOR A CITY, TOWN OR OTHER TAXING JURISDICTION THAT
44 IMPOSES A TRANSACTION PRIVILEGE, SALES, USE, FRANCHISE OR OTHER
45 SIMILAR TAX OR FEE, HOWEVER DENOMINATED, AT A RATE THAT IS TWO

1 PERCENT OR MORE OF THE BASE, THE CITY, TOWN OR OTHER TAXING
2 JURISDICTION MAY NOT INCREASE THE RATE.

3 (c) AN INCREASE OF THE TRANSACTION PRIVILEGE, SALES, USE,
4 FRANCHISE OR OTHER SIMILAR TAX OR FEE, HOWEVER DENOMINATED, MUST
5 NOT OCCUR IN THE TWENTY-FOUR-MONTH PERIOD PRECEDING JUNE 30,
6 2027.

7 2. FOR A CITY, TOWN OR OTHER TAXING JURISDICTION THAT
8 HAS NOT APPROVED THE IMPOSITION OF A TRANSACTION PRIVILEGE,
9 SALES, USE, FRANCHISE OR OTHER SIMILAR TAX OR FEE, HOWEVER
10 DENOMINATED, PURSUANT TO SUBSECTION A, PARAGRAPH 1 OF THIS
11 SECTION ON OR BEFORE JANUARY 1, 2025, BOTH OF THE FOLLOWING
12 APPLY:

13 (a) THE ADOPTION AND ANY SUBSEQUENT INCREASE OF THE
14 TRANSACTION PRIVILEGE, SALES, USE, FRANCHISE OR OTHER SIMILAR
15 TAX OR FEE, HOWEVER DENOMINATED, MUST BE APPROVED BY THE VOTERS
16 OF THE CITY, TOWN OR OTHER TAXING JURISDICTION AND MAY NOT BE
17 MORE THAN TWO PERCENT OF THE TAX BASE.

18 (b) THE ADOPTION OR SUBSEQUENT INCREASE OF THE
19 TRANSACTION PRIVILEGE, SALES, USE, FRANCHISE OR OTHER SIMILAR
20 TAX OR FEE, HOWEVER DENOMINATED, MUST NOT OCCUR IN THE
21 TWENTY-FOUR-MONTH PERIOD PRECEDING JUNE 30, 2027.

22 Sec. 2. Retroactivity

23 This act applies retroactively to from and after
24 December 31, 2024.

25 2. The Secretary of State shall submit this proposition to the voters
26 at the next general election as provided by article IV, part 1, section 1,
27 Constitution of Arizona.

PASSED BY THE HOUSE MARCH 4, 2025.

PASSED BY THE SENATE JUNE 20, 2025.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 23, 2025.