

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.C.R. 2037

(Reference to printed resolution)

1 Strike everything after the resolving clause and insert:

2 "1. Article IX, Constitution of Arizona, is proposed to be amended by
3 adding section 12.1 as follows if approved by the voters and on proclamation
4 of the Governor:

5 12.1. Temporary state transaction privilege, use and
6 severance taxes; repeal June 30, 2013

7 SECTION 12.1. A. A TAX IS LEVIED ON THE PRIVILEGE OF
8 ENGAGING IN BUSINESS ACTIVITIES IN THIS STATE FOR THE PURPOSE OF
9 RAISING STATE REVENUES FOR PRIMARY AND SECONDARY EDUCATION,
10 HEALTH AND HUMAN SERVICES AND PUBLIC SAFETY.

11 B. THE TAX IS LEVIED AND SHALL BE COLLECTED BEGINNING ON
12 THE FIRST DAY OF THE FIRST MONTH BEGINNING AT LEAST THIRTY DAYS
13 AFTER THE EFFECTIVE DATE OF THIS SECTION AND SHALL CONTINUE FOR
14 THIRTY-SIX CONSECUTIVE CALENDAR MONTHS, AFTER WHICH THE TAX
15 EXPIRES.

16 C. THE TAX IS LEVIED AS A SEPARATE RATE INCREMENT IN
17 ADDITION TO THE STATE TRANSACTION PRIVILEGE TAX, USE TAX AND
18 MINING SEVERANCE TAX RATES. THE RATE OF TAX IS ONE PER CENT OF
19 THE CURRENT TAX BASE FOR EACH RESPECTIVE TAX CLASSIFICATION ON
20 THE EFFECTIVE DATE OF THIS SECTION. THE TAX IS SUBJECT TO THE
21 SAME EXEMPTIONS, DEDUCTIONS AND OTHER TAX REDUCTION FEATURES
22 PROVIDED BY LAW FOR EACH TAX CLASSIFICATION.

23 D. THE NET REVENUES DERIVED FROM THE TAX IMPOSED BY THIS
24 SECTION ARE NOT SUBJECT TO DISTRIBUTION TO COUNTIES,
25 MUNICIPALITIES OR OTHER GOVERNMENTAL ENTITIES BUT SHALL BE
26 CREDITED TO, AND SEPARATELY ACCOUNTED IN, THE STATE GENERAL FUND
27 AND APPROPRIATED AS FOLLOWS:

28 1. TWO-THIRDS OF THE REVENUES SHALL BE APPROPRIATED FOR
29 PUBLIC PRIMARY AND SECONDARY EDUCATION.

1 2. ONE-THIRD OF THE REVENUES SHALL BE APPROPRIATED FOR
2 HEALTH AND HUMAN SERVICES AND PUBLIC SAFETY PURPOSES.

3 3. ANY OF THE REVENUES AVAILABLE FOR APPROPRIATION IN
4 FISCAL YEAR 2009-2010 SHALL FIRST BE USED TO DECREASE THE
5 REDUCTIONS IN STATE SPENDING FOR PRIMARY AND SECONDARY EDUCATION.

6 E. THE TAXES UNDER THIS SECTION ARE DUE AND PAYABLE AT THE
7 SAME TIME AND IN THE SAME MANNER, AND ARE SUBJECT TO THE SAME
8 PROVISIONS FOR ADMINISTRATION AND ENFORCEMENT, AS PROVIDED BY LAW
9 FOR OTHER TRANSACTION PRIVILEGE, USE AND SEVERANCE TAXES.

10 F. THE TAXES UNDER THIS SECTION DO NOT APPLY WITH RESPECT
11 TO CONTRACTS ENTERED INTO BY PRIME CONTRACTORS OR PURSUANT TO
12 WRITTEN BIDS MADE BY PRIME CONTRACTORS BEFORE THE EFFECTIVE DATE
13 OF THIS SECTION IF THE CONTRACTOR MAINTAINS SUFFICIENT
14 DOCUMENTATION TO VERIFY THE DATE OF THE CONTRACT OR BID.

15 G. THE EXPIRATION OF THE TAX UNDER SUBSECTION B DOES NOT
16 AFFECT THE CONTINUING VALIDITY OF OUTSTANDING AND UNPAID TAX
17 OBLIGATIONS THAT ACCRUE UNDER THIS SECTION, INCLUDING ANY
18 PENALTIES AND INTEREST THAT ACCRUE THEREAFTER BY LAW ON THE
19 UNPAID OBLIGATIONS.

20 H. THIS SECTION IS REPEALED JUNE 30, 2013.

21 2. The Secretary of State shall submit this proposition to the voters
22 at a special election called to be held for that purpose on November 3, 2009
23 as provided by article XXI, Constitution of Arizona."

24 Amend title to conform

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2037taxrefer.doc
06/26/2009
3:10 PM
C: dmt