

REFERENCE TITLE: personal property tax exemption amount

State of Arizona  
Senate  
Fiftieth Legislature  
Second Regular Session  
2012

## **SCR 1012**

Introduced by

Senators Biggs, Antenori, Klein, Reagan; Representatives Burges, Court,  
Farnsworth, Forese, Gowan, Harper, Kavanagh, Lesko, Montenegro, Stevens,  
Tobin; Senator McComish; Representatives Mesnard, Olson, Ugenti, Vogt

A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX,  
SECTION 2, CONSTITUTION OF ARIZONA; RELATING TO PROPERTY TAX EXEMPTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

6 2. Property subject to taxation: exemptions

7 Section 2. (1) There shall be exempt from taxation all  
8 federal, state, county and municipal property.

9 (2) Property of educational, charitable and religious  
10 associations or institutions not used or held for profit may be  
11 exempt from taxation by law.

12 (3) Public debts, as evidenced by the bonds of Arizona,  
13 its counties, municipalities or other subdivisions, shall also  
14 be exempt from taxation.

15 (4) All household goods owned by the user thereof and  
16 used solely for noncommercial purposes shall be exempt from  
17 taxation, and such person entitled to such exemption shall not  
18 be required to take any affirmative action to receive the  
19 benefit of such exemption.

20 (5) Stocks of raw or finished materials, unassembled  
21 parts, work in process or finished products constituting the  
22 inventory of a retailer or wholesaler located within the state  
23 and principally engaged in the resale of such materials, parts  
24 or products, whether or not for resale to the ultimate consumer,  
25 shall be exempt from taxation.

26 (6) The legislature may exempt personal property that is  
27 used for agricultural purposes or in a trade or business from  
28 taxation in a manner provided by law, except that the exemption  
29 does not apply to any amount of the full cash value of the  
30 personal property of a taxpayer that exceeds:

31 (a) AN AMOUNT THAT IS EQUAL TO THE ANNUAL EARNINGS OF  
32 FIFTY WORKERS IN THIS STATE ACCORDING TO A DESIGNATED NATIONAL  
33 MEASURE OF EARNINGS PER EMPLOYEE ADJUSTED ANNUALLY. THE EXEMPT  
34 AMOUNT ALLOWED UNDER THIS PARAGRAPH APPLIES TO THE PERSONAL  
35 PROPERTY OF A TAXPAYER THAT IS INITIALLY ACQUIRED, AS DEFINED BY  
36 LAW, DURING OR AFTER TAX YEAR 2013.

37 (b) Fifty thousand dollars. The legislature may provide  
38 by law to increase the exempt amount according to annual  
39 variations in a designated national inflation index. THE EXEMPT  
40 AMOUNT ALLOWED UNDER THIS PARAGRAPH APPLIES TO THE PERSONAL  
41 PROPERTY OF A TAXPAYER THAT IS INITIALLY ACQUIRED, AS DEFINED BY  
42 LAW, BEFORE TAX YEAR 2013.

43 (7) The legislature may exempt the property of cemeteries  
44 that are set apart and used to inter deceased human beings from  
45 taxation in a manner provided by law.

1           (8) There shall be further exempt from taxation the  
2 property of each honorably discharged airman, soldier, sailor,  
3 United States marine, member of revenue marine service, the  
4 coast guard, nurse corps or of any predecessor or of the  
5 component of auxiliary of any thereof, resident of this state,  
6 in the amount of:

7           (a) One thousand five hundred dollars if the total  
8 assessment of such person does not exceed three thousand five  
9 hundred dollars.

10          (b) One thousand dollars if the total assessment of such  
11 person does not exceed four thousand dollars.

12          (c) Five hundred dollars if the total assessment of such  
13 person does not exceed four thousand five hundred dollars.

14          (d) Two hundred fifty dollars if the total assessment of  
15 such person does not exceed five thousand dollars.

16          (e) No exemption if the total assessment of such person  
17 exceeds five thousand dollars.

18          No such exemption shall be made for such person unless  
19 such person shall have served at least sixty days in the  
20 military or naval service of the United States during World War  
21 I or prior wars and shall have been a resident of this state  
22 prior to September 1, 1945.

23          (9) There shall be further exempt from taxation as herein  
24 provided the property of each honorably discharged airman,  
25 soldier, sailor, United States marine, member of revenue marine  
26 service, the coast guard, nurse corps or of any predecessor or  
27 of the component of auxiliary of any thereof, resident of this  
28 state, where such person has a service-connected disability as  
29 determined by the United States veterans administration or its  
30 successor. No such exemption shall be made for such person  
31 unless he shall have been a resident of this state prior to  
32 September 1, 1945 or unless such person shall have been a  
33 resident of this state for at least four years prior to his  
34 original entry into service as an airman, soldier, sailor,  
35 United States marine, member of revenue marine service, the  
36 coast guard, nurse corps or of any predecessor or of the  
37 component of auxiliary of any thereof. The property of such  
38 person having a compensable service-connected disability exempt  
39 from taxation as herein provided shall be determined as follows:

40          (a) If such person's service-connected disability as  
41 determined by the United States veterans administration or its  
42 successor is sixty per cent or less, the property of such person  
43 exempt from taxation shall be determined by such person's  
44 percentage of disability multiplied by the assessment of such  
45 person in the amount of:

- 1 (i) One thousand five hundred dollars if the total  
2 assessment of such person does not exceed three thousand five  
3 hundred dollars.
- 4 (ii) One thousand dollars if the total assessment of such  
5 person does not exceed four thousand dollars.
- 6 (iii) Five hundred dollars if the total assessment of  
7 such person does not exceed four thousand five hundred dollars.
- 8 (iv) Two hundred fifty dollars if the total assessment of  
9 such person does not exceed five thousand dollars.
- 10 (v) No exemption if the total assessment of such person  
11 exceeds five thousand dollars.
- 12 (b) If such person's service-connected disability as  
13 determined by the United States veterans administration or its  
14 successor is more than sixty per cent, the property of such  
15 person exempt from taxation shall be in the amount of:
- 16 (i) One thousand five hundred dollars if the total  
17 assessment of such person does not exceed three thousand five  
18 hundred dollars.
- 19 (ii) One thousand dollars if the total assessment of such  
20 person does not exceed four thousand dollars.
- 21 (iii) Five hundred dollars if the total assessment of  
22 such person does not exceed four thousand five hundred dollars.
- 23 (iv) Two hundred fifty dollars if the total assessment of  
24 such person does not exceed five thousand dollars.
- 25 (v) No exemption if the total assessment of such person  
26 exceeds five thousand dollars.
- 27 (10) There shall be further exempt from taxation the  
28 property of each honorably discharged airman, soldier, sailor,  
29 United States marine, member of revenue marine service, the  
30 coast guard, nurse corps or of any predecessor or of the  
31 component of auxiliary of any thereof, resident of this state,  
32 where such person has a nonservice-connected total and permanent  
33 disability, physical or mental, as so certified by the United  
34 States veterans administration, or its successor, or such other  
35 certification as provided by law, in the amount of:
- 36 (a) One thousand five hundred dollars if the total  
37 assessment of such person does not exceed three thousand five  
38 hundred dollars.
- 39 (b) One thousand dollars if the total assessment of such  
40 person does not exceed four thousand dollars.
- 41 (c) Five hundred dollars if the total assessment of such  
42 person does not exceed four thousand five hundred dollars.
- 43 (d) Two hundred fifty dollars if the total assessment of  
44 such person does not exceed five thousand dollars.

1 (e) No exemption if the total assessment of such person  
2 exceeds five thousand dollars.

3 No such exemption shall be made for such person unless he  
4 shall have served at least sixty days in the military or naval  
5 service of the United States during time of war after World  
6 War I and shall have been a resident of this state prior to  
7 September 1, 1945.

8 (11) There shall be further exempt from taxation the  
9 property of each widow, resident of this state, in the amount  
10 of:

11 (a) One thousand five hundred dollars if the total  
12 assessment of such widow does not exceed three thousand five  
13 hundred dollars.

14 (b) One thousand dollars if the total assessment of such  
15 widow does not exceed four thousand dollars.

16 (c) Five hundred dollars if the total assessment of such  
17 widow does not exceed four thousand five hundred dollars.

18 (d) Two hundred fifty dollars if the total assessment of  
19 such widow does not exceed five thousand dollars.

20 (e) No exemption if the total assessment of such widow  
21 exceeds five thousand dollars.

22 In order to qualify for this exemption, the income from  
23 all sources of such widow, together with the income from all  
24 sources of all children of such widow residing with the widow in  
25 her residence in the year immediately preceding the year for  
26 which such widow applies for this exemption, shall not exceed:

27 1. Seven thousand dollars if none of the widow's children  
28 under the age of eighteen years resided with her in such widow's  
29 residence; or

30 2. Ten thousand dollars if one or more of the widow's  
31 children residing with her in such widow's residence was under  
32 the age of eighteen years, or was totally and permanently  
33 disabled, physically or mentally, as certified by competent  
34 medical authority as provided by law.

35 Such widow shall have resided with her last spouse in this  
36 state at the time of the spouse's death if she was not a widow  
37 and a resident of this state prior to January 1, 1969.

38 (12) No property shall be exempt which has been conveyed  
39 to evade taxation. The total exemption from taxation granted to  
40 the property owned by a person who qualifies for any exemption  
41 in accordance with the terms of subsections (8), (9), (10) or  
42 (11) shall not exceed one thousand five hundred dollars. The  
43 provisions of this section shall be self-executing.

1                   (13) All property in the state not exempt under the laws  
2                   of the United States or under this constitution or exempt by law  
3                   under the provisions of this section shall be subject to  
4                   taxation to be ascertained as provided by law.

5                   2. Short title

6                   This measure shall be known as and may be cited as the "Small Business  
7                   Job Creation Act."

8                   3. The Secretary of State shall submit this proposition to the voters  
9                   at the next general election as provided by article XXI, Constitution of  
10                   Arizona.