

State of Arizona
House of Representatives
Fifty-second Legislature
First Regular Session
2015

HOUSE BILL 2069

AN ACT

AMENDING TITLE 43, CHAPTER 10, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 43-1013; RELATING TO TAXATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Title 43, chapter 10, article 2, Arizona Revised Statutes,
3 is amended by adding section 43-1013, to read:
4 43-1013. Income tax rate reduction for transaction privilege
5 and use taxes on internet sales; definition
6 A. THE DEPARTMENT SHALL ESTIMATE THE AMOUNT OF ADDITIONAL REVENUE
7 COLLECTED DURING THE FIRST FULL TAXABLE YEAR FOLLOWING THE DATE THAT THE
8 DEPARTMENT BEGINS COLLECTING, AS A RESULT OF A QUALIFYING FEDERAL LAW,
9 TRANSACTION PRIVILEGE AND USE TAXES FROM OUT-OF-STATE RETAILERS ON PURCHASES
10 MADE BY RESIDENTS OF THIS STATE.
11 B. AFTER THE DEPARTMENT MAKES ITS ESTIMATE UNDER SUBSECTION A OF THIS
12 SECTION, THE DEPARTMENT SHALL DETERMINE THE AMOUNT THAT INDIVIDUAL INCOME
13 TAXES MAY BE REDUCED IN THE FOLLOWING TAXABLE YEAR IN ORDER TO DECREASE
14 INDIVIDUAL INCOME TAX REVENUE BY THE AMOUNT OF ITS ESTIMATE UNDER SUBSECTION
15 A OF THIS SECTION. FOR THE PURPOSES OF THIS SUBSECTION, THE DEPARTMENT SHALL
16 CALCULATE THE TAX RATE REDUCTIONS FOR EACH INDIVIDUAL INCOME TAX BRACKET
17 PRESCRIBED IN SECTION 43-1011 IN PROPORTION TO THE SHARE OF THE INDIVIDUAL
18 INCOME TAX COLLECTIONS ATTRIBUTABLE TO EACH OF THE TAX BRACKETS IN EFFECT
19 DURING THE MOST RECENTLY COMPLETED TAXABLE YEAR.
20 C. THE DEPARTMENT SHALL CERTIFY THE AMOUNTS UNDER SUBSECTIONS A AND B
21 OF THIS SECTION TO THE GOVERNOR, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES
22 AND THE PRESIDENT OF THE SENATE AND SHALL SPECIFY IN THE CERTIFICATION THAT
23 THE NEW TAX RATES TAKE EFFECT IN THE TAXABLE YEAR FOLLOWING THE TAXABLE YEAR
24 DURING WHICH THE DEPARTMENT MAKES THE CERTIFICATION.
25 D. FOR THE PURPOSES OF THIS SECTION, "QUALIFYING FEDERAL LAW" MEANS
26 ANY FEDERAL LAW TO EXPAND THIS STATE'S AUTHORITY TO REQUIRE OUT-OF-STATE
27 RETAILERS TO COLLECT AND REMIT TO THIS STATE TRANSACTION PRIVILEGE AND USE
28 TAXES ON PURCHASES MADE BY RESIDENTS OF THIS STATE.
29 Sec. 2. Intent
30 It is the intent of the legislature that this act not be viewed as
31 legislative support for or opposition to the Marketplace Fairness Act or
32 similar federal law.
33 Sec. 3. Conditional repeal; notice
34 A. Section 43-1013, Arizona Revised Statutes, is repealed if the
35 Marketplace Fairness Act or similar federal law is not enacted on or before
36 December 31, 2020.
37 B. The director of the department of revenue shall notify the director
38 of the Arizona legislative council if the condition described by subsection A
39 of this section occurs.