

State of Arizona  
House of Representatives  
Fifty-fourth Legislature  
First Regular Session  
2019

**CHAPTER 124**  
**HOUSE BILL 2027**

AN ACT

AMENDING SECTION 42-6009, ARIZONA REVISED STATUTES; RELATING TO LOCAL  
EXCISE TAXES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-6009, Arizona Revised Statutes, is amended to  
3 read:

4 42-6009. Online lodging; definitions

5 A. Except as provided by this section, a city, town or other taxing  
6 jurisdiction may not levy a transaction privilege, sales, use, franchise  
7 or other similar tax or fee, however denominated, on the business of  
8 operating an online lodging marketplace or, in the case of an online  
9 lodging marketplace that is licensed pursuant to section 42-5005,  
10 subsection L, on any online lodging transaction facilitated by the online  
11 lodging marketplace or on any online lodging operator with respect to any  
12 online lodging transaction for which it has received documentation that  
13 the online lodging marketplace has remitted or will remit the applicable  
14 tax to the department pursuant to section 42-5014, subsection E.

15 B. In the case of an online lodging marketplace that is licensed  
16 pursuant to section 42-5005, subsection L, a city, town or other taxing  
17 jurisdiction may levy a transaction privilege, sales, use, franchise or  
18 other similar tax or fee ~~as provided by~~ **ON AN ONLINE LODGING MARKETPLACE**  
19 **FROM ANY ACTIVITY SUBJECT TO TAX UNDER** the model city tax code, ~~on the~~  
20 ~~online lodging~~ **WITH THE TAX BASE FOR AN ONLINE MARKETPLACE BEING LIMITED**  
21 **PURSUANT TO SECTION 42-5076**, subject to the following conditions:

22 1. ~~The adopted~~ **THE CITY, TOWN OR OTHER TAXING JURISDICTION** tax must  
23 be administered in a manner that is uniform with the treatment of online  
24 lodging marketplaces, online lodging operators and online lodging  
25 transactions provided by chapter 5 of this title, except that:

26 (a) The ~~adopted~~ **CITY, TOWN OR OTHER TAXING JURISDICTION** tax rate  
27 may be different from the state tax rate prescribed by section 42-5010.

28 (b) The ~~adopted~~ **CITY, TOWN OR OTHER TAXING JURISDICTION** tax may  
29 apply to online lodging transactions involving rentals of lodging  
30 accommodations in the city, town or other taxing jurisdiction for more  
31 than twenty-nine consecutive days. With respect to any tax on rentals of  
32 lodging accommodations for more than twenty-nine consecutive days, in the  
33 case of an online lodging marketplace that has registered pursuant to  
34 section 42-5005, subsection L, the ~~adopted~~ **CITY, TOWN OR OTHER TAXING**  
35 **JURISDICTION** tax must uniformly apply to all lodging accommodations in the  
36 city, town or other taxing jurisdiction for thirty consecutive days or  
37 more, and the tax base for the tax must be limited exclusively to online  
38 lodging transactions facilitated by an online lodging marketplace for  
39 rentals of lodging accommodations for thirty consecutive days or more and  
40 located in the applicable city, town or other taxing jurisdiction.

41 2. The ~~adopted~~ **CITY, TOWN OR OTHER TAXING JURISDICTION** tax shall be  
42 administered, collected and enforced by the department and ~~remitted~~  
43 **DISTRIBUTED** to the city, town or other taxing jurisdiction in a uniform  
44 manner.

1           3. The ~~adopted~~ CITY, TOWN OR OTHER TAXING JURISDICTION tax ~~must be~~  
2 ~~uniform~~ IMPOSED on online lodging marketplaces, ~~AND~~ online lodging  
3 operators ~~and~~ MUST BE UNIFORM WITH ALL other taxpayers ~~of the same class~~  
4 ENGAGING IN THE SAME ACTIVITY within the jurisdictional boundaries of the  
5 city, town or other taxing jurisdiction.

6           4. Any ~~adopted~~ CITY, TOWN OR OTHER TAXING JURISDICTION tax is  
7 subject to:

8           (a) Section 42-6002, relating to audits.

9           (b) Section 42-2003, subsection X, relating to confidential  
10 information.

11           (c) Section 42-5003, subsection B, relating to judicial  
12 enforcement.

13           (d) Section 42-5005, subsection L, relating to registration of  
14 online lodging marketplaces.

15           (e) Section 42-5014, subsection E, relating to tax returns.

16           5. The CITY, TOWN OR OTHER TAXING JURISDICTION tax may not be  
17 collected from an online lodging operator with respect to any online  
18 lodging transaction or transactions for which the online lodging operator  
19 has received written notice or documentation from a registered online  
20 lodging marketplace that it has remitted or will remit the applicable  
21 CITY, TOWN OR OTHER TAXING JURISDICTION tax with respect to those  
22 transactions to the department pursuant to section 42-5014, subsection E.

23           C. For the purposes of this section, "lodging accommodations",  
24 "online lodging marketplace", "online lodging operator" and "online  
25 lodging transaction" have the same meanings prescribed in section 42-5076.

APPROVED BY THE GOVERNOR APRIL 24, 2019.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 24, 2019.