

REFERENCE TITLE: **income tax; charitable deductions**

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

HB 2359

Introduced by
Representative Toma

AN ACT

AMENDING SECTION 43-1041, ARIZONA REVISED STATUTES; RELATING TO INDIVIDUAL INCOME TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 43-1041, Arizona Revised Statutes, is amended to
3 read:

4 43-1041. Optional standard deduction

5 A. A taxpayer may elect to take a standard deduction as follows:

6 1. In the case of a single person or a married person filing
7 separately, the standard deduction ~~shall be four thousand fifty dollars~~ IS
8 \$4,050, subject to subsection ~~G~~ H of this section.

9 2. In the case of a married couple filing a joint return or a
10 single person who is a head of a household, the standard deduction ~~shall~~
11 ~~be eight thousand one hundred dollars~~ IS \$8,100, subject to subsection
12 ~~G~~ H of this section.

13 B. The standard deduction provided for in subsection A of this
14 section ~~shall be~~ IS in lieu of all itemized deductions allowed by section
15 43-1042, which are to be subtracted from Arizona adjusted gross income in
16 computing taxable income, but not in lieu of the personal exemption
17 allowed by section 43-1043.

18 C. The standard deduction ~~shall be~~ IS allowed if the taxpayer so
19 elects. The election is made by the taxpayer claiming on the tax return
20 the amount provided for in this section in lieu of the itemized deductions
21 allowed under section 43-1042. Electing to file a short form return or a
22 simplified return that does not allow itemized deductions to be claimed is
23 considered to be an election to claim the standard deduction.

24 D. In the case of a husband and wife, the standard deduction
25 provided for in subsection A of this section ~~shall~~ IS not ~~be~~ allowed to
26 either if the taxable income of one of the spouses is determined without
27 regard to the standard deduction.

28 E. The standard deduction provided for by subsection A of this
29 section shall not be allowed in the case of a taxable year of less than
30 twelve months on account of a change in the accounting period.

31 F. Except as provided in subsection G of this section, a change of
32 an election to take, or not to take, the standard deduction for any
33 taxable year may be made after the filing of the return for ~~such~~ THAT
34 year.

35 G. A taxpayer is not allowed to change an election to take, or not
36 to take, the standard deduction if:

37 1. The spouse of the taxpayer filed a separate return for any
38 taxable year corresponding, for the purposes of subsection D of this
39 section, to the taxable year of the taxpayer unless both of the following
40 apply:

41 (a) The spouse makes a change of election with respect to the
42 standard deduction for the taxable year covered in the separate return
43 consistent with the change of election sought by the taxpayer.

1 (b) The taxpayer and spouse consent in writing to the assessment,
2 within such a period as may be agreed on with the department, of any
3 deficiency, to the extent attributable to the change of election, even
4 though at the time of the filing of the consent the assessment of the
5 deficiency would otherwise be prevented by the operation of any law or
6 rule of law.

7 2. The tax liability of the taxpayer or the taxpayer's spouse for
8 the taxable year has been compromised.

9 H. For each taxable year beginning on or after January 1, the
10 department shall adjust the dollar amounts prescribed by subsection A,
11 paragraphs 1 and 2 of this section according to the average annual change
12 in the metropolitan Phoenix consumer price index published by the United
13 States bureau of labor statistics. The revised dollar amounts shall be
14 raised to the nearest whole dollar. The designated dollar amounts shall
15 not be revised below the amounts allowed by the standard deduction in the
16 prior taxable year.

17 I. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2017,
18 THE STANDARD DEDUCTION ALLOWED UNDER SUBSECTION A OF THIS SECTION SHALL BE
19 INCREASED BY THE AMOUNT OF CHARITABLE DEDUCTIONS THAT WOULD HAVE BEEN
20 ALLOWED IF THE TAXPAYER ELECTED TO CLAIM ITEMIZED DEDUCTIONS UNDER SECTION
21 43-1042 RATHER THAN ELECT THE STANDARD DEDUCTION.

22 Sec. 2. Applicability

23 This act applies retroactively to taxable years beginning from and
24 after December 31, 2017.