



ARIZONA STATE SENATE
Fifty-Fourth Legislature, Second Regular Session

FACT SHEET FOR H.B. 2354

income tax; returns; filing extension

Purpose

Sets the due date, retroactive to taxable years beginning January 1, 2020, for a corporate or exempt organization's Arizona income tax return that has been granted an extension of time at seven months after the initial filing due date.

Background

An extension of time for filing an income tax return may be granted by the Arizona Department of Revenue if: 1) at least 90 percent of the tax liability disclosed by the taxpayer's return is paid; and 2) the request for an extension is received or mailed by the date the return filing is due. The extension may not be longer than six months from the initial due date. If a taxpayer is granted a federal extension for the taxable year, an equal extension is granted for filing the Arizona income tax return, provided that the taxpayer has paid at least 90 percent of the tax liability disclosed ([A.R.S. § 42-1107](#)).

A federal extension may be no longer than six months, with certain exceptions ([26 U.S.C § 6081](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Sets the due date for a corporate or exempt organization's income tax return for a taxpayer that has been granted an extension at seven months after the initial filing due date.
2. Excludes small business corporations from the seven-month income tax return extension.
3. Makes technical and conforming changes.
4. Becomes effective on the general effective date, retroactive to taxable years beginning January 1, 2020.

House Action

WM	01/29/20	DPA	10-0-0-0
3 rd Read	02/11/20		59-0-1

Prepared by Senate Research
 March 2, 2020
 MG/AJS/gs