CHAPTER 103

HOUSE BILL 2822

AN ACT

AMENDING SECTION 42-13054, ARIZONA REVISED STATUTES; RELATING TO VALUATION OF LOCALLY ASSESSED PROPERTY.

(TEXT OF BILLbegins on next page)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 42-13054, Arizona Revised Statutes, is amended to read:

42-13054. Taxable value of personal property; depreciated values of personal property in class one, class two (P) and class six

A. The taxable value of personal property that is valued by the county assessor is the result of acquisition cost less any appropriate depreciation as prescribed by tables adopted by the department. The taxable value shall not exceed the market value.

B. Except as provided in subsection C of this section and notwithstanding any other statute, the assessor shall adjust the depreciation schedules prescribed by the department as follows to determine the valuation of personal property:

1. For personal property that is initially classified during tax year 1994 through tax year 2007 as class one, paragraph 8, 9, 10 or 13 pursuant to section 42-12001 and personal property that is initially classified during tax year 1995 through tax year 2007 as class two (P) pursuant to section 42-12002:

   (a) For the first tax year of assessment, the assessor shall use thirty-five percent of the scheduled depreciated value.

   (b) For the second tax year of assessment, the assessor shall use fifty-one percent of the scheduled depreciated value.

   (c) For the third tax year of assessment, the assessor shall use sixty-seven percent of the scheduled depreciated value.

   (d) For the fourth tax year of assessment, the assessor shall use eighty-three percent of the scheduled depreciated value.

   (e) For the fifth and subsequent tax years of assessment, the assessor shall use the scheduled depreciated value as prescribed in the department's guidelines.

2. For personal property that is initially classified during tax year 2008 through tax year 2011 as class one, paragraph 8, 9, 10 or 13 pursuant to section 42-12001 and personal property that is initially classified during tax year 2008 through tax year 2011 as class two (P) pursuant to section 42-12002:

   (a) For the first tax year of assessment, the assessor shall use thirty percent of the scheduled depreciated value.

   (b) For the second tax year of assessment, the assessor shall use forty-six percent of the scheduled depreciated value.

   (c) For the third tax year of assessment, the assessor shall use sixty-two percent of the scheduled depreciated value.

   (d) For the fourth tax year of assessment, the assessor shall use seventy-eight percent of the scheduled depreciated value.

   (e) For the fifth tax year of assessment, the assessor shall use ninety-four percent of the scheduled depreciated value.
(f) For the sixth and subsequent tax years of assessment, the assessor shall use the scheduled depreciated value as prescribed in the department's guidelines.

3. For personal property that is initially classified during or after tax year 2012 THROUGH TAX YEAR 2021 as class one, paragraph 8, 9, 10 or 13 pursuant to section 42-12001 personal property that is initially classified during or after tax year 2012 THROUGH TAX YEAR 2021 as class two (P) pursuant to section 42-12002 and personal property that is acquired during or after tax year 2017 THROUGH TAX YEAR 2021 and initially classified during or after tax year 2018 THROUGH TAX YEAR 2021 as class six pursuant to section 42-12006, paragraph 2 or 3:
   (a) For the first tax year of assessment, the assessor shall use twenty-five percent of the scheduled depreciated value.
   (b) For the second tax year of assessment, the assessor shall use forty-one percent of the scheduled depreciated value.
   (c) For the third tax year of assessment, the assessor shall use fifty-seven percent of the scheduled depreciated value.
   (d) For the fourth tax year of assessment, the assessor shall use seventy-three percent of the scheduled depreciated value.
   (e) For the fifth tax year of assessment, the assessor shall use eighty-nine percent of the scheduled depreciated value.
   (f) For the sixth and subsequent tax years of assessment, the assessor shall use the scheduled depreciated value as prescribed in the department's guidelines.

4. FOR PERSONAL PROPERTY THAT IS INITIALLY CLASSIFIED DURING OR AFTER TAX YEAR 2022 AS CLASS ONE, PARAGRAPH 8, 9, 10 OR 13 PURSUANT TO SECTION 42-12001 PERSONAL PROPERTY THAT IS INITIALLY CLASSIFIED DURING OR AFTER TAX YEAR 2022 AS CLASS TWO (P) PURSUANT TO SECTION 42-12002 AND PERSONAL PROPERTY THAT IS ACQUIRED DURING OR AFTER TAX YEAR 2022 AND INITIALLY CLASSIFIED DURING OR AFTER TAX YEAR 2022 AS CLASS SIX PURSUANT TO SECTION 42-12006, PARAGRAPH 2 OR 3, THE ASSESSOR SHALL USE A VALUATION FACTOR OF TWO AND ONE-HALF PERCENT.

C. The additional depreciation prescribed in subsection B of this section:
   1. Does not apply to any property valued by the department.
   2. Shall not reduce the valuation below the minimum value prescribed by the department for property in use.

APPROVED BY THE GOVERNOR MARCH 30, 2022.