

COMMITTEE ON FINANCE  
SENATE AMENDMENTS TO S.B. 1252  
(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 43-1122, Arizona Revised Statutes, is amended to  
3 read:

4 43-1122. Subtractions from Arizona gross income; corporations

5 In computing Arizona taxable income for a corporation, the following  
6 amounts shall be subtracted from Arizona gross income:

7 1. The excess of a partner's share of income required to be included  
8 under section 702(a)(8) of the internal revenue code over the income  
9 required to be included under chapter 14, article 2 of this title.

10 2. The excess of a partner's share of partnership losses determined  
11 pursuant to chapter 14, article 2 of this title over the losses allowable  
12 under section 702(a)(8) of the internal revenue code.

13 3. The amount allowed by section 43-1025 for contributions during  
14 the taxable year of agricultural crops to charitable organizations.

15 4. The portion of any wages or salaries paid or incurred by the  
16 taxpayer for the taxable year that is equal to the amount of the federal  
17 work opportunity credit, the empowerment zone employment credit, the credit  
18 for employer paid social security taxes on employee cash tips and the  
19 Indian employment credit that the taxpayer received under sections 45A,  
20 45B, 51(a) and 1396 of the internal revenue code.

21 5. With respect to property that is sold or otherwise disposed of  
22 during the taxable year by a taxpayer that complied with section 43-1121,  
23 paragraph 4 with respect to that property, the amount of depreciation that  
24 has been allowed pursuant to section 167(a) of the internal revenue code to

1 the extent that the amount has not already reduced Arizona taxable income  
2 in the current taxable year or prior taxable years.

3 6. With respect to a financial institution as defined in section  
4 6-101, expenses and interest relating to tax-exempt income disallowed  
5 pursuant to section 265 of the internal revenue code.

6 7. Dividends received from another corporation owned or controlled  
7 directly or indirectly by a recipient corporation. For the purposes of  
8 this paragraph, "control" means direct or indirect ownership or control of  
9 fifty percent or more of the voting stock of the payor corporation by the  
10 recipient corporation. Dividends shall have the meaning provided in  
11 section 316 of the internal revenue code. This subtraction shall apply  
12 without regard to section 43-961, paragraph 2 and article 4 of this  
13 chapter.

14 8. Interest income received on obligations of the United States.

15 9. The amount of dividend income from foreign corporations. For the  
16 purposes of this paragraph, gross up income as described in section 78 of  
17 the internal revenue code, global intangible low-taxed income as defined in  
18 section 951A of the internal revenue code and subpart F income as defined  
19 in section 952 of the internal revenue code shall be considered foreign  
20 dividends.

21 10. The amount of net operating loss allowed by section 43-1123.

22 11. The amount of any state income tax refunds received that were  
23 included as income in computing federal taxable income.

24 12. The amount of expense recapture included in income pursuant to  
25 section 617 of the internal revenue code for mine exploration expenses.

26 13. The amount of deferred exploration expenses allowed by section  
27 43-1127.

28 14. The amount of exploration expenses related to the exploration of  
29 oil, gas or geothermal resources, computed in the same manner and on the  
30 same basis as a deduction for mine exploration pursuant to section 617 of  
31 the internal revenue code. This computation is subject to the adjustments

1 contained in section 43-1121, paragraph 10 and paragraphs 12 and 13 of this  
2 section relating to exploration expenses.

3 15. The amortization of pollution control devices allowed by section  
4 43-1129.

5 16. The amount of amortization of the cost of child care facilities  
6 pursuant to section 43-1130.

7 17. The amount of income from a domestic international sales  
8 corporation required to be included in the income of its shareholders  
9 pursuant to section 995 of the internal revenue code.

10 18. The income of an insurance company that is exempt under section  
11 43-1201 to the extent that it is included in computing Arizona gross income  
12 on a consolidated return pursuant to section 43-947.

13 19. The amount by which a capital loss carryover allowable pursuant  
14 to section 43-1130.01, subsection F exceeds the capital loss carryover  
15 allowable pursuant to section 1341(b)(5) of the internal revenue code.

16 20. An amount equal to the depreciation allowable pursuant to  
17 section 167(a) of the internal revenue code for the taxable year computed  
18 as if the election described in section 168(k)(7) of the internal revenue  
19 code had been made for each applicable class of property in the year the  
20 property was placed in service.

21 21. The amount of eligible access expenditures paid or incurred  
22 during the taxable year to comply with the requirements of the Americans  
23 with disabilities act of 1990 (P.L. 101-336) or title 41, chapter 9,  
24 article 8 as provided by section 43-1124.

25 22. For taxable years beginning from and after December 31, 2017,  
26 the amount of any net capital gain included in Arizona gross income for the  
27 taxable year that is derived from the exchange of one kind of legal tender  
28 for another kind of legal tender. For the purposes of this paragraph:

29 (a) "Legal tender" means a medium of exchange, including specie,  
30 that is authorized by the United States Constitution or Congress to pay  
31 debts, public charges, taxes and dues.

1 (b) "Specie" means coins having precious metal content.  
2 23. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2021,  
3 THE FIRST \$100,000 OF ARIZONA GROSS INCOME FOR THE TAXABLE YEAR."  
4 Amend title to conform

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02/01/2021  
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