

REFERENCE TITLE: peer-to-peer car sharing

State of Arizona  
Senate  
Fifty-fifth Legislature  
First Regular Session  
2021

## **SB 1720**

Introduced by  
Senator Fann

AN ACT

AMENDING TITLE 28, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 31;  
AMENDING SECTIONS 42-5005, 42-5009, 42-5014, 42-5040 AND 42-5071; RELATING  
TO TRANSPORTATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 28, Arizona Revised Statutes, is amended by adding  
3 chapter 31, to read:

4 CHAPTER 31

5 PEER-TO-PEER CAR SHARING

6 ARTICLE 1. GENERAL PROVISIONS

7 28-9601. Definitions

8 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 1. "CAR SHARING DELIVERY PERIOD" MEANS THE PERIOD OF TIME DURING  
10 WHICH A SHARED VEHICLE IS BEING DELIVERED TO THE LOCATION OF THE CAR  
11 SHARING START TIME AS DOCUMENTED BY THE GOVERNING CAR SHARING PROGRAM  
12 AGREEMENT.

13 2. "CAR SHARING PERIOD" MEANS THE PERIOD OF TIME THAT BEGINS WITH  
14 THE CAR SHARING DELIVERY PERIOD OR THE CAR SHARING START TIME IF THERE IS  
15 NO CAR SHARING DELIVERY PERIOD AND ENDS AT THE CAR SHARING TERMINATION  
16 TIME.

17 3. "CAR SHARING PROGRAM AGREEMENT":

18 (a) MEANS THE TERMS AND CONDITIONS THAT APPLY TO A SHARED VEHICLE  
19 OWNER AND A SHARED VEHICLE DRIVER AND THAT GOVERN THE USE OF A SHARED  
20 VEHICLE THROUGH A PEER-TO-PEER CAR SHARING PROGRAM.

21 (b) DOES NOT INCLUDE A RENTAL AGREEMENT AS DEFINED IN SECTION  
22 20-331.

23 4. "CAR SHARING START TIME" MEANS THE TIME WHEN A SHARED VEHICLE  
24 BECOMES SUBJECT TO THE CONTROL OF THE SHARED VEHICLE DRIVER AT OR AFTER  
25 THE TIME THAT THE RESERVATION OF THE SHARED VEHICLE IS SCHEDULED TO BEGIN  
26 AS DOCUMENTED IN THE RECORDS OF A PEER-TO-PEER CAR SHARING PROGRAM.

27 5. "CAR SHARING TERMINATION TIME" MEANS THE EARLIEST OF THE  
28 FOLLOWING:

29 (a) THE AGREED PERIOD OF TIME ESTABLISHED FOR THE USE OF A SHARED  
30 VEHICLE IN THE GOVERNING CAR SHARING PROGRAM AGREEMENT EXPIRES AND THE  
31 SHARED VEHICLE IS DELIVERED TO A LOCATION THAT IS SPECIFIED IN THE  
32 GOVERNING CAR SHARING PROGRAM AGREEMENT.

33 (b) WHEN THE SHARED VEHICLE IS RETURNED TO A LOCATION AS  
34 ALTERNATIVELY AGREED ON BY THE SHARED VEHICLE OWNER AND SHARED VEHICLE  
35 DRIVER AS COMMUNICATED THROUGH A PEER-TO-PEER CAR SHARING PROGRAM.

36 (c) THE SHARED VEHICLE OWNER OR THE SHARED VEHICLE OWNER'S DESIGNEE  
37 TAKES POSSESSION AND CONTROL OF THE SHARED VEHICLE.

38 6. "INDIVIDUAL-OWNED SHARED VEHICLE" MEANS EITHER:

39 (a) IF THE SHARED VEHICLE IS PURCHASED IN THIS STATE, A SHARED  
40 VEHICLE FOR WHICH THE OWNER CERTIFIES THAT THE TRANSACTION PRIVILEGE TAX  
41 WAS PAID ON THE PURCHASE OF THE SHARED VEHICLE.

42 (b) IF THE SHARED VEHICLE IS NOT PURCHASED IN THIS STATE, A SHARED  
43 VEHICLE FOR WHICH THE OWNER CERTIFIES THAT THE APPLICABLE SALES OR USE TAX  
44 WAS PAID IN THE JURISDICTION IN WHICH THE SHARED VEHICLE WAS PURCHASED IF

1 THAT JURISDICTION LEVIES A SALES OR USE TAX ON THE PURCHASE OF MOTOR  
2 VEHICLES.

3 7. "PEER-TO-PEER CAR SHARING":

4 (a) MEANS THE AUTHORIZED USE OF A SHARED VEHICLE BY AN INDIVIDUAL  
5 OTHER THAN THE SHARED VEHICLE OWNER THROUGH A PEER-TO-PEER CAR SHARING  
6 PROGRAM.

7 (b) DOES NOT INCLUDE:

8 (i) A RENTAL VEHICLE AS DEFINED IN SECTION 20-331.

9 (ii) THE BUSINESS OF RENTING VEHICLES TO RENTERS UNDER A RENTAL  
10 AGREEMENT AS DEFINED IN SECTION 20-331.

11 (iii) THE BUSINESS OF RENTING MOTOR VEHICLES WITHOUT DRIVERS THAT  
12 IS SUBJECT TO A SURCHARGE PURSUANT TO SECTION 28-5810.

13 (iv) A MOTOR VEHICLE LEASE OR RENTAL THAT IS SUBJECT TO A SURCHARGE  
14 PURSUANT TO SECTION 5-839 OR 48-4234.

15 8. "PEER-TO-PEER CAR SHARING PROGRAM":

16 (a) MEANS A BUSINESS PLATFORM THAT CONNECTS VEHICLE OWNERS WITH  
17 DRIVERS TO ENABLE THE SHARING OF VEHICLES FOR FINANCIAL CONSIDERATION.

18 (b) DOES NOT INCLUDE:

19 (i) A RENTAL COMPANY AS DEFINED IN SECTION 20-331.

20 (ii) A PERSON OR ENTITY THAT IS ENGAGED IN THE BUSINESS OF RENTING  
21 MOTOR VEHICLES WITHOUT DRIVERS AND THAT COLLECTS A SURCHARGE PURSUANT TO  
22 SECTION 28-5810.

23 9. "SHARED VEHICLE":

24 (a) MEANS A VEHICLE THAT IS AVAILABLE FOR SHARING THROUGH A  
25 PEER-TO-PEER CAR SHARING PROGRAM.

26 (b) DOES NOT INCLUDE A RENTAL VEHICLE OR VEHICLE AS DEFINED IN  
27 SECTION 20-331.

28 10. "SHARED VEHICLE DRIVER" MEANS AN INDIVIDUAL WHO HAS BEEN  
29 AUTHORIZED TO DRIVE THE SHARED VEHICLE BY THE SHARED VEHICLE OWNER UNDER A  
30 CAR SHARING PROGRAM AGREEMENT.

31 11. "SHARED VEHICLE OWNER" MEANS THE REGISTERED OWNER, OR A PERSON  
32 OR ENTITY DESIGNATED BY THE REGISTERED OWNER, OF A VEHICLE THAT IS MADE  
33 AVAILABLE FOR SHARING TO SHARED VEHICLE DRIVERS THROUGH A PEER-TO-PEER CAR  
34 SHARING PROGRAM.

35 12. "SHARED VEHICLE TRANSACTION":

36 (a) MEANS THE AUTHORIZED USE OF A SHARED VEHICLE BY AN INDIVIDUAL  
37 OTHER THAN THE SHARED VEHICLE'S OWNER THROUGH A PEER-TO-PEER CAR SHARING  
38 PROGRAM.

39 (b) DOES NOT INCLUDE:

40 (i) A RENTAL AGREEMENT AS DEFINED IN SECTION 20-331.

41 (ii) THE BUSINESS OF RENTING MOTOR VEHICLES WITHOUT DRIVERS THAT IS  
42 SUBJECT TO A SURCHARGE PURSUANT TO SECTION 28-5810.

43 (iii) THE BUSINESS OF LEASING OR RENTING FOR LESS THAN ONE YEAR  
44 MOTOR VEHICLES FOR HIRE WITHOUT A DRIVER AS DESCRIBED IN SECTION 5-839,  
45 SUBSECTION C IF THE SHARED VEHICLE IS AN INDIVIDUAL-OWNED SHARED VEHICLE.

1 (iv) A MOTOR VEHICLE LEASE OR RENTAL THAT IS SUBJECT TO A SURCHARGE  
2 PURSUANT TO SECTION 48-4234.

3 28-9602. Insurance requirements

4 A. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS B AND C OF THIS  
5 SECTION, A PEER-TO-PEER CAR SHARING PROGRAM SHALL ASSUME THE LIABILITY OF  
6 A SHARED VEHICLE OWNER FOR BODILY INJURY OR PROPERTY DAMAGE THAT OCCURS TO  
7 A THIRD PARTY DURING THE CAR SHARING PERIOD IN AN AMOUNT THAT IS STATED IN  
8 THE CAR SHARING PROGRAM AGREEMENT AND THAT IS NOT LESS THAN THE MINIMUM  
9 AMOUNT OF COVERAGE REQUIRED BY SECTION 28-4009.

10 B. A PEER-TO-PEER CAR SHARING PROGRAM IS NOT LIABLE FOR BODILY  
11 INJURY OR PROPERTY DAMAGE TO A THIRD PARTY IN AN AMOUNT THAT IS MORE THAN  
12 THE MINIMUM AMOUNT OF COVERAGE REQUIRED BY SECTION 28-4009 IF EITHER OF  
13 THE FOLLOWING OCCURS:

14 1. THE SHARED VEHICLE OWNER MAKES AN INTENTIONAL OR FRAUDULENT  
15 MATERIAL MISREPRESENTATION OR OMISSION TO THE PEER-TO-PEER CAR SHARING  
16 PROGRAM BEFORE THE CAR SHARING PERIOD IN WHICH THE LOSS OCCURS AND THE  
17 BODILY INJURY OR PROPERTY DAMAGE IS TO A THIRD PARTY.

18 2. THE SHARED VEHICLE OWNER ACTS IN CONCERT WITH THE SHARED VEHICLE  
19 DRIVER WHO FAILS TO RETURN THE SHARED VEHICLE PURSUANT TO THE CAR SHARING  
20 PROGRAM AGREEMENT.

21 C. NOTWITHSTANDING THE CAR SHARING TERMINATION TIME, THE ASSUMPTION  
22 OF LIABILITY UNDER SUBSECTION A OF THIS SECTION APPLIES TO BODILY INJURY  
23 AND PROPERTY DAMAGE TO THIRD PARTIES AS REQUIRED BY SECTION 28-4009.

24 D. A PEER-TO-PEER CAR SHARING PROGRAM SHALL ENSURE THAT DURING EACH  
25 CAR SHARING PERIOD THE SHARED VEHICLE OWNER AND THE SHARED VEHICLE DRIVER  
26 ARE INSURED UNDER A MOTOR VEHICLE LIABILITY INSURANCE POLICY OR OTHER  
27 APPLICABLE INSURANCE POLICY THAT PROVIDES INSURANCE COVERAGE IN AN AMOUNT  
28 NOT LESS THAN THE MINIMUM AMOUNT OF COVERAGE REQUIRED BY SECTION 28-4009  
29 AND THAT EITHER:

30 1. RECOGNIZES THAT THE VEHICLE INSURED UNDER THE POLICY IS MADE  
31 AVAILABLE AND USED THROUGH A PEER-TO-PEER CAR SHARING PROGRAM.

32 2. DOES NOT EXCLUDE THE USE OF A SHARED VEHICLE BY A SHARED VEHICLE  
33 DRIVER.

34 E. THE INSURANCE REQUIRED BY THIS SECTION MAY BE SATISFIED BY MOTOR  
35 VEHICLE LIABILITY INSURANCE THAT IS MAINTAINED BY ANY OF THE FOLLOWING OR  
36 A COMBINATION OF ALL OF THE FOLLOWING:

37 1. A SHARED VEHICLE OWNER.

38 2. A SHARED VEHICLE DRIVER.

39 3. A PEER-TO-PEER CAR SHARING PROGRAM.

40 F. THE INSURANCE REQUIRED PURSUANT TO SUBSECTIONS D AND E OF THIS  
41 SECTION IS PRIMARY DURING EACH CAR SHARING PERIOD.

42 G. THE PEER-TO-PEER CAR SHARING PROGRAM SHALL ASSUME PRIMARY  
43 LIABILITY FOR A CLAIM IF ALL OF THE FOLLOWING OCCUR:

44 1. THE PEER-TO-PEER CAR SHARING PROGRAM PROVIDES THE INSURANCE  
45 REQUIRED BY THIS SECTION IN WHOLE OR IN PART.

1           2. A DISPUTE EXISTS AS TO WHO WAS IN CONTROL OF THE SHARED VEHICLE  
2 AT THE TIME OF THE LOSS.

3           3. THE PEER-TO-PEER CAR SHARING PROGRAM FOR ANY REASON FAILS TO  
4 PROVIDE THE INFORMATION REQUIRED BY SECTION 28-9605.

5           H. IF INSURANCE IS MAINTAINED BY A SHARED VEHICLE OWNER OR A SHARED  
6 VEHICLE DRIVER PURSUANT TO SUBSECTION E OF THIS SECTION AND THAT INSURANCE  
7 HAS LAPSED OR DOES NOT PROVIDE THE REQUIRED COVERAGE:

8           1. INSURANCE THAT IS MAINTAINED BY A PEER-TO-PEER CAR SHARING  
9 PROGRAM SHALL PROVIDE THE COVERAGE REQUIRED BY SUBSECTION D OF THIS  
10 SECTION BEGINNING WITH THE FIRST DOLLAR OF A CLAIM.

11           2. THE PEER-TO-PEER CAR SHARING PROGRAM HAS A DUTY TO DEFEND A  
12 CLAIM EXCEPT A CLAIM TO WHICH SUBSECTION B OF THIS SECTION APPLIES.

13           I. THE SHARED VEHICLE'S INSURER SHALL INDEMNIFY THE PEER-TO-PEER  
14 CAR SHARING PROGRAM TO THE EXTENT OF ITS OBLIGATION, IF ANY, UNDER THE  
15 APPLICABLE INSURANCE POLICY IF IT IS DETERMINED THAT THE SHARED VEHICLE  
16 OWNER WAS IN CONTROL OF THE SHARED VEHICLE AT THE TIME OF THE LOSS.

17           J. COVERAGE UNDER A MOTOR VEHICLE LIABILITY INSURANCE POLICY THAT  
18 IS MAINTAINED BY A PEER-TO-PEER CAR SHARING PROGRAM IS NOT DEPENDENT ON A  
19 MOTOR VEHICLE LIABILITY INSURER FIRST DENYING A CLAIM UNDER ANY OTHER  
20 MOTOR VEHICLE INSURANCE POLICY.

21           K. A PEER-TO-PEER CAR SHARING PROGRAM MAY NOT:

22           1. OFFER OR SELL INSURANCE EXCEPT IN CONJUNCTION WITH AND  
23 INCIDENTAL TO CAR SHARING PROGRAM AGREEMENTS.

24           2. ADVERTISE, REPRESENT OR OTHERWISE PORTRAY ITSELF OR ANY OF ITS  
25 EMPLOYEES OR AGENTS AS LICENSED INSURERS OR INSURANCE PRODUCERS, UNLESS  
26 THE PEER-TO-PEER CAR SHARING PROGRAM IS A LICENSED INSURER OR INSURANCE  
27 PRODUCER.

28           3. PAY A PERSON ANY COMPENSATION, FEE OR COMMISSION THAT IS  
29 DEPENDENT ON THE PLACEMENT OF INSURANCE UNDER A PEER-TO-PEER CAR SHARING  
30 PROGRAM'S LICENSE ISSUED PURSUANT TO TITLE 20.

31           4. MAKE A CAR SHARING PROGRAM AGREEMENT CONTINGENT ON THE SHARED  
32 VEHICLE DRIVER PURCHASING INSURANCE THROUGH THE PEER-TO-PEER CAR SHARING  
33 PROGRAM.

34           L. NOTWITHSTANDING ANY OTHER LAW, THIS CHAPTER DOES NOT PROHIBIT A  
35 PEER-TO-PEER CAR SHARING PROGRAM FROM RECOVERING ITS INSURANCE COSTS  
36 INCURRED IN SATISFYING ITS OBLIGATIONS PURSUANT TO THIS SECTION FROM A  
37 SHARED VEHICLE OWNER OR SHARED VEHICLE DRIVER.

38           M. SUBSECTION K OF THIS SECTION DOES NOT PROHIBIT PRODUCTION  
39 PAYMENTS OR INCENTIVE PAYMENTS TO AN EMPLOYEE IF THE PAYMENTS ARE NOT  
40 DEPENDENT ON THE SALE OF INSURANCE.

41           N. THIS CHAPTER DOES NOT LIMIT EITHER OF THE FOLLOWING:

42           1. THE LIABILITY OF THE PEER-TO-PEER CAR SHARING PROGRAM FOR ANY  
43 ACT OR OMISSION OF THE PEER-TO-PEER CAR SHARING PROGRAM THAT RESULTS IN  
44 INJURY TO ANY PERSON AS A RESULT OF THE USE OF A SHARED VEHICLE THROUGH A  
45 PEER-TO-PEER CAR SHARING PROGRAM.

1           2. THE ABILITY OF THE PEER-TO-PEER CAR SHARING PROGRAM TO, BY  
2 CONTRACT, SEEK INDEMNIFICATION FROM THE SHARED VEHICLE OWNER OR THE SHARED  
3 VEHICLE DRIVER FOR ECONOMIC LOSS SUSTAINED BY THE PEER-TO-PEER CAR SHARING  
4 PROGRAM RESULTING FROM A BREACH OF THE TERMS AND CONDITIONS OF THE CAR  
5 SHARING PROGRAM AGREEMENT.

6           28-9603. Notice to owner of vehicle with lien

7           AFTER A VEHICLE OWNER REGISTERS AS A SHARED VEHICLE OWNER ON A  
8 PEER-TO-PEER CAR SHARING PROGRAM AND BEFORE THE SHARED VEHICLE OWNER MAKES  
9 A SHARED VEHICLE AVAILABLE FOR CAR SHARING ON THE PEER-TO-PEER CAR SHARING  
10 PROGRAM, IF THERE IS A LIEN ON THE SHARED VEHICLE, THE PEER-TO-PEER CAR  
11 SHARING PROGRAM SHALL NOTIFY THE SHARED VEHICLE OWNER OF BOTH OF THE  
12 FOLLOWING:

13           1. USING THE SHARED VEHICLE THROUGH A PEER-TO-PEER CAR SHARING  
14 PROGRAM MIGHT VIOLATE THE TERMS OF THE SHARED VEHICLE OWNER'S CONTRACT  
15 WITH THE LIENHOLDER.

16           2. THE CONTRACT WITH THE LIENHOLDER MIGHT IMPOSE SPECIFIC  
17 REQUIREMENTS FOR PHYSICAL DAMAGE COVERAGE.

18           28-9604. Authorized insurer exclusions

19           A. AN AUTHORIZED INSURER THAT WRITES MOTOR VEHICLE LIABILITY  
20 INSURANCE IN THIS STATE MAY EXCLUDE ANY AND ALL COVERAGE AND THE DUTY TO  
21 DEFEND OR INDEMNIFY ANY CLAIM AGAINST A SHARED VEHICLE OWNER'S PERSONAL  
22 MOTOR VEHICLE LIABILITY INSURANCE POLICY, INCLUDING:

- 23           1. BODILY INJURY COVERAGE.
- 24           2. PROPERTY DAMAGE COVERAGE.
- 25           3. UNINSURED MOTORIST COVERAGE.
- 26           4. UNDERINSURED MOTORIST COVERAGE.
- 27           5. MEDICAL PAYMENTS COVERAGE.
- 28           6. COMPREHENSIVE COVERAGE.
- 29           7. COLLISION COVERAGE.

30           B. THIS CHAPTER DOES NOT INVALIDATE OR LIMIT AN EXCLUSION CONTAINED  
31 IN A MOTOR VEHICLE LIABILITY INSURANCE POLICY, INCLUDING AN INSURANCE  
32 POLICY IN USE OR APPROVED FOR USE THAT EXCLUDES COVERAGE FOR VEHICLES MADE  
33 AVAILABLE FOR RENT, SHARING OR HIRE OR FOR ANY BUSINESS USE.

34           28-9605. Shared vehicle records; retention

35           A PEER-TO-PEER CAR SHARING PROGRAM SHALL COLLECT AND VERIFY RECORDS  
36 RELATING TO THE USE OF A SHARED VEHICLE, INCLUDING TIMES USED, FEES PAID  
37 BY THE SHARED VEHICLE DRIVER AND MONIES RECEIVED BY THE SHARED VEHICLE  
38 OWNER, AND SHALL PROVIDE THAT INFORMATION ON REQUEST TO THE SHARED VEHICLE  
39 OWNER, THE SHARED VEHICLE OWNER'S INSURER OR THE SHARED VEHICLE DRIVER'S  
40 INSURER TO FACILITATE A CLAIM COVERAGE INVESTIGATION. THE PEER-TO-PEER  
41 CAR SHARING PROGRAM SHALL RETAIN THESE RECORDS FOR AT LEAST TWO YEARS.

42           28-9606. Vicarious liability exemption

43           A PEER-TO-PEER CAR SHARING PROGRAM AND A SHARED VEHICLE OWNER ARE  
44 EXEMPT FROM VICARIOUS LIABILITY CONSISTENT WITH 49 UNITED STATES CODE

1 SECTION 30106 UNDER ANY STATE OR LOCAL LAW THAT IMPOSES LIABILITY SOLELY  
2 BASED ON VEHICLE OWNERSHIP.

3 28-9607. Insurance claims; shared vehicles; indemnification

4 A MOTOR VEHICLE INSURER THAT DEFENDS OR INDEMNIFIES A CLAIM  
5 INVOLVING A SHARED VEHICLE THAT IS EXCLUDED UNDER THE TERMS OF THE MOTOR  
6 VEHICLE POLICY MAY SEEK CONTRIBUTION OR INDEMNIFICATION FROM THE MOTOR  
7 VEHICLE INSURER OF THE PEER-TO-PEER CAR SHARING PROGRAM IF THE CLAIM IS  
8 BOTH:

- 9 1. MADE AGAINST THE SHARED VEHICLE OWNER OR THE SHARED VEHICLE  
10 DRIVER FOR LOSS OR INJURY THAT OCCURS DURING THE CAR SHARING PERIOD.
- 11 2. EXCLUDED UNDER THE TERMS OF THE MOTOR VEHICLE POLICY.

12 28-9608. Insurable interests

13 A. NOTWITHSTANDING ANY OTHER LAW, A PEER-TO-PEER CAR SHARING  
14 PROGRAM HAS AN INSURABLE INTEREST IN A SHARED VEHICLE DURING THE CAR  
15 SHARING PERIOD.

16 B. THIS SECTION DOES NOT REQUIRE A PEER-TO-PEER CAR SHARING PROGRAM  
17 TO MAINTAIN THE INSURANCE COVERAGE REQUIRED BY SECTION 28-9602.

18 C. A PEER-TO-PEER CAR SHARING PROGRAM MAY PURCHASE AND MAINTAIN AS  
19 THE NAMED INSURED ONE OR MORE MOTOR VEHICLE INSURANCE POLICIES THAT  
20 PROVIDE COVERAGE FOR ANY OF THE FOLLOWING:

- 21 1. LIABILITIES ASSUMED BY THE PEER-TO-PEER CAR SHARING PROGRAM  
22 UNDER A CAR SHARING PROGRAM AGREEMENT.
- 23 2. ANY LIABILITY OF THE SHARED VEHICLE OWNER.
- 24 3. DAMAGE OR LOSS TO THE SHARED VEHICLE OR FOR ANY LIABILITY OF THE  
25 SHARED VEHICLE DRIVER.

26 28-9609. Car sharing program agreement disclosures

27 EACH CAR SHARING PROGRAM AGREEMENT MADE IN THIS STATE SHALL DISCLOSE  
28 THE FOLLOWING TO THE SHARED VEHICLE OWNER AND THE SHARED VEHICLE DRIVER:

29 1. THAT THE PEER-TO-PEER CAR SHARING PROGRAM HAS A RIGHT TO SEEK  
30 INDEMNIFICATION FROM THE SHARED VEHICLE OWNER OR THE SHARED VEHICLE DRIVER  
31 FOR ECONOMIC LOSS SUSTAINED BY THE PEER-TO-PEER CAR SHARING PROGRAM  
32 RESULTING FROM A BREACH OF THE TERMS AND CONDITIONS OF THE CAR SHARING  
33 PROGRAM AGREEMENT.

34 2. THAT A MOTOR VEHICLE LIABILITY INSURANCE POLICY ISSUED TO THE  
35 SHARED VEHICLE OWNER FOR THE SHARED VEHICLE OR TO THE SHARED VEHICLE  
36 DRIVER DOES NOT PROVIDE A DEFENSE OR INDEMNIFICATION FOR ANY CLAIM  
37 ASSERTED BY THE PEER-TO-PEER CAR SHARING PROGRAM.

38 3. THAT THE PEER-TO-PEER CAR SHARING PROGRAM'S INSURANCE COVERAGE  
39 ON THE SHARED VEHICLE OWNER AND THE SHARED VEHICLE DRIVER IS IN EFFECT  
40 ONLY DURING EACH CAR SHARING PERIOD AND THAT, FOR ANY USE OF THE SHARED  
41 VEHICLE BY THE SHARED VEHICLE DRIVER AFTER THE CAR SHARING TERMINATION  
42 TIME, THE SHARED VEHICLE DRIVER AND THE SHARED VEHICLE OWNER MIGHT NOT  
43 HAVE INSURANCE COVERAGE.

1 4. THE DAILY RATE, FEES AND INSURANCE, IF APPLICABLE, OR PROTECTION  
2 PACKAGE COSTS THAT ARE CHARGED TO THE SHARED VEHICLE OWNER OR THE SHARED  
3 VEHICLE DRIVER.

4 5. THAT THE SHARED VEHICLE OWNER'S MOTOR VEHICLE LIABILITY  
5 INSURANCE MIGHT NOT PROVIDE COVERAGE FOR A SHARED VEHICLE.

6 6. AN EMERGENCY TELEPHONE NUMBER FOR ROADSIDE ASSISTANCE AND OTHER  
7 CUSTOMER SERVICE INQUIRIES.

8 7. WHETHER THERE ARE CONDITIONS THAT REQUIRE A PERSON TO MAINTAIN A  
9 PERSONAL MOTOR VEHICLE LIABILITY INSURANCE POLICY WITH CERTAIN MINIMUM  
10 APPLICABLE COVERAGE LIMITS ON A PRIMARY BASIS IN ORDER FOR THE PERSON TO  
11 BECOME A SHARED VEHICLE DRIVER.

12 8. THAT THE SHARED VEHICLE OWNER'S OR THE SHARED VEHICLE DRIVER'S  
13 MOTOR VEHICLE LIABILITY INSURANCE MIGHT ALREADY PROVIDE THE COVERAGE  
14 REQUIRED BY THIS CHAPTER.

15 28-9610. Car sharing program agreement; licensed driver; data  
16 retention

17 A. A PEER-TO-PEER CAR SHARING PROGRAM MAY ENTER INTO A CAR SHARING  
18 PROGRAM AGREEMENT ONLY IF THE DRIVER WHO WILL OPERATE THE SHARED VEHICLE:

19 1. HOLDS A DRIVER LICENSE ISSUED BY THE DEPARTMENT THAT AUTHORIZES  
20 THE DRIVER TO OPERATE THE CLASS OF THE SHARED VEHICLE.

21 2. IS A NONRESIDENT WHO BOTH:

22 (a) HAS A DRIVER LICENSE ISSUED BY THE STATE OR COUNTRY OF THE  
23 DRIVER'S RESIDENCE THAT AUTHORIZES THE DRIVER IN THAT STATE OR COUNTRY TO  
24 DRIVE VEHICLES OF THE CLASS OF THE SHARED VEHICLE.

25 (b) IS AT LEAST THE SAME AGE AS THE AGE REQUIRED OF A RESIDENT TO  
26 DRIVE VEHICLES OF THE CLASS OF THE SHARED VEHICLE.

27 3. OTHERWISE IS SPECIFICALLY AUTHORIZED BY THE DEPARTMENT TO DRIVE  
28 VEHICLES OF THE CLASS OF THE SHARED VEHICLE.

29 B. A PEER-TO-PEER CAR SHARING PROGRAM SHALL KEEP A RECORD OF:

30 1. THE NAME AND ADDRESS OF EACH SHARED VEHICLE DRIVER.

31 2. THE DRIVER LICENSE NUMBER OF THE SHARED VEHICLE DRIVER.

32 3. THE DATE AND PLACE OF ISSUANCE OF THE SHARED VEHICLE DRIVER'S  
33 DRIVER LICENSE.

34 28-9611. Responsibility for equipment

35 A PEER-TO-PEER CAR SHARING PROGRAM HAS SOLE RESPONSIBILITY FOR ANY  
36 EQUIPMENT, INCLUDING A GLOBAL POSITIONING SYSTEM OR OTHER SPECIAL  
37 EQUIPMENT, THAT IS PUT IN OR ON A SHARED VEHICLE TO MONITOR OR FACILITATE  
38 THE SHARED VEHICLE TRANSACTION AND SHALL AGREE TO INDEMNIFY AND HOLD  
39 HARMLESS THE SHARED VEHICLE OWNER FOR ANY DAMAGE TO OR THEFT OF THE  
40 EQUIPMENT DURING THE CAR SHARING PERIOD IF THE SHARED VEHICLE OWNER DOES  
41 NOT CAUSE THE DAMAGE OR THEFT. THE PEER-TO-PEER CAR SHARING PROGRAM MAY  
42 SEEK INDEMNITY FROM THE SHARED VEHICLE DRIVER FOR ANY LOSS OR DAMAGE TO  
43 THE EQUIPMENT THAT OCCURS DURING THE CAR SHARING PERIOD.



1           28-9612. Safety recalls

2           A. AFTER A VEHICLE OWNER BECOMES A SHARED VEHICLE OWNER ON A  
3 PEER-TO-PEER CAR SHARING PROGRAM AND BEFORE THE SHARED VEHICLE OWNER MAKES  
4 A SHARED VEHICLE AVAILABLE FOR PEER-TO-PEER CAR SHARING ON THE  
5 PEER-TO-PEER CAR SHARING PROGRAM, THE PEER-TO-PEER CAR SHARING PROGRAM  
6 SHALL:

7           1. VERIFY THAT THE SHARED VEHICLE DOES NOT HAVE ANY SAFETY RECALLS  
8 ON THE SHARED VEHICLE FOR WHICH THE REPAIRS ARE NOT MADE.

9           2. NOTIFY THE SHARED VEHICLE OWNER OF THE REQUIREMENTS PRESCRIBED  
10 BY SUBSECTIONS B, C AND D OF THIS SECTION.

11           B. IF A VEHICLE OWNER HAS RECEIVED AN ACTUAL NOTICE OF A SAFETY  
12 RECALL ON THE OWNER'S VEHICLE, THE VEHICLE OWNER MAY NOT MAKE THE VEHICLE  
13 AVAILABLE AS A SHARED VEHICLE UNTIL THE SAFETY RECALL REPAIR IS MADE.

14           C. IF A SHARED VEHICLE OWNER RECEIVES A NOTICE OF A SAFETY RECALL  
15 ON THE SHARED VEHICLE WHILE THE SHARED VEHICLE IS MADE AVAILABLE ON THE  
16 PEER-TO-PEER CAR SHARING PROGRAM, THE SHARED VEHICLE OWNER SHALL REMOVE  
17 THE SHARED VEHICLE FROM AVAILABILITY ON THE PEER-TO-PEER CAR SHARING  
18 PROGRAM AS SOON AS PRACTICABLE. THE SHARED VEHICLE OWNER MAY NOT MAKE THE  
19 SHARED VEHICLE AVAILABLE ON THE PEER-TO-PEER CAR SHARING PROGRAM UNTIL THE  
20 SAFETY RECALL REPAIR IS MADE.

21           D. IF A SHARED VEHICLE OWNER RECEIVES A NOTICE OF A SAFETY RECALL  
22 WHILE THE SHARED VEHICLE IS IN THE POSSESSION OF A SHARED VEHICLE DRIVER,  
23 AS SOON AS PRACTICABLE, THE SHARED VEHICLE OWNER SHALL NOTIFY THE  
24 PEER-TO-PEER CAR SHARING PROGRAM ABOUT THE SAFETY RECALL SO THAT THE  
25 SHARED VEHICLE OWNER MAY MAKE THE SAFETY RECALL REPAIR.

26           28-9613. Peer-to-peer car sharing program; individual-owned  
27 shared vehicle

28           IF THE SHARED VEHICLE IS AN INDIVIDUAL-OWNED SHARED VEHICLE, A  
29 PEER-TO-PEER CAR SHARING PROGRAM IS NOT EITHER OF THE FOLLOWING:

30           1. IN THE BUSINESS OF LEASING OR RENTING FOR LESS THAN ONE YEAR  
31 MOTOR VEHICLES FOR HIRE WITHOUT A DRIVER AS DESCRIBED IN SECTION 5-839,  
32 SUBSECTION C.

33           2. SUBJECT TO THE SURCHARGE COLLECTED PURSUANT TO SECTION 48-4234.

34           28-9614. Public airports; shared vehicle transaction  
35 regulations

36           THIS CHAPTER DOES NOT PROHIBIT OR RESTRICT A PUBLIC AIRPORT FROM  
37 IMPLEMENTING RULES OR LICENSING REQUIREMENTS OR FROM ASSESSING FEES OR  
38 CHARGES THAT APPLY TO SHARED VEHICLE TRANSACTIONS THAT ARE CONDUCTED AT  
39 THE PUBLIC AIRPORT.

40           28-9615. Motor vehicle manufacturers; licensed motor vehicle  
41 dealers; rights, obligations and limitations not  
42 expanded or restricted

43           THIS CHAPTER DOES NOT EXPAND OR RESTRICT IN ANY MANNER THE  
44 RESPECTIVE RIGHTS, OBLIGATIONS AND LIMITATIONS OF MOTOR VEHICLE

1 MANUFACTURERS AND LICENSED MOTOR VEHICLE DEALERS AS SET FORTH IN CHAPTER  
2 10, ARTICLE 5 OF THIS TITLE.

3 28-9616. Shared vehicle transactions; transaction privilege  
4 tax; exceptions; prohibition

5 A. A SHARED VEHICLE TRANSACTION IS SUBJECT TO THE TRANSACTION  
6 PRIVILEGE TAX IMPOSED PURSUANT TO TITLE 42, CHAPTERS 5 AND 6.

7 B. A SHARED VEHICLE TRANSACTION IS NOT SUBJECT TO THE RENTAL  
8 VEHICLE SURCHARGE ESTABLISHED BY SECTION 28-5810.

9 C. A SHARED VEHICLE TRANSACTION IS NOT SUBJECT TO THE SURCHARGES  
10 ESTABLISHED BY SECTIONS 5-839 AND 48-4234 IF THE SHARED VEHICLE OWNER  
11 CERTIFIES TO THE DEPARTMENT OF REVENUE, ON A FORM PRESCRIBED BY THE  
12 DEPARTMENT, THAT THE SHARED VEHICLE IS AN INDIVIDUAL-OWNED SHARED VEHICLE.  
13 THE DEPARTMENT OF REVENUE SHALL VERIFY THAT THE VEHICLE IS AN  
14 INDIVIDUAL-OWNED SHARED VEHICLE BY DETERMINING WHETHER TRANSACTION  
15 PRIVILEGE TAX WAS PAID FOR THE PURCHASE OF THE VEHICLE.

16 D. A PEER-TO-PEER CAR SHARING PROGRAM THAT ACCEPTS PAYMENT FOR A  
17 SHARED VEHICLE TRANSACTION IN THIS STATE IS SUBJECT TO TITLE 42, CHAPTER 5  
18 SHALL PAY THE TAXES LEVIED UNDER TITLE 42, CHAPTERS 5 AND 6 IF THE  
19 PEER-TO-PEER CAR SHARING PROGRAM'S GROSS PROCEEDS OF SALES GROSS INCOME  
20 DERIVED FROM THE PEER-TO-PEER CAR SHARING PROGRAM'S BUSINESS ON ITS OWN  
21 BEHALF OR ON BEHALF OF AT LEAST ONE SHARED VEHICLE OWNER WITH CUSTOMERS IN  
22 THIS STATE PURSUANT TO SECTION 42-5071 IS MORE THAN \$100,000.

23 E. A PEER-TO-PEER CAR SHARING PROGRAM MAY RELY IN GOOD FAITH ON THE  
24 SHARED VEHICLE OWNER'S REPRESENTATION THAT THE SHARED VEHICLE IS AN  
25 INDIVIDUAL-OWNED SHARED VEHICLE CERTIFIED WITH THE DEPARTMENT OF REVENUE  
26 PURSUANT TO SUBSECTION C OF THIS SECTION. IF THE PEER-TO-PEER CAR SHARING  
27 PROGRAM RELIES IN GOOD FAITH ON THE SHARED VEHICLE OWNER'S REPRESENTATION  
28 THAT THE SHARED VEHICLE IS AN INDIVIDUAL-OWNED SHARED VEHICLE CERTIFIED  
29 WITH THE DEPARTMENT OF REVENUE, THE PEER-TO-PEER CAR SHARING PROGRAM IS  
30 NOT LIABLE FOR ANY TAX, PENALTY, FEE OR OTHER SANCTION IMPOSED ON THE  
31 SHARED VEHICLE OWNER.

32 F. EXCEPT AS PROVIDED IN SECTION 28-9614 AND THIS SECTION, A  
33 COUNTY, CITY, TOWN OR POLITICAL SUBDIVISION OF THIS STATE MAY NOT IMPOSE  
34 ANY ADDITIONAL TAXES, FEES OR CHARGES ON THE GROSS PROCEEDS OR GROSS  
35 INCOME OF A SHARED VEHICLE TRANSACTION.

36 Sec. 2. Section 42-5005, Arizona Revised Statutes, is amended to  
37 read:

38 42-5005. Transaction privilege tax and municipal privilege  
39 tax licenses; fees; renewal; revocation;  
40 violation; classification

41 A. Every person who receives gross proceeds of sales or gross  
42 income on which a transaction privilege tax is imposed by this article and  
43 who desires to engage or continue in business shall apply to the  
44 department for an annual transaction privilege tax license accompanied by

1 a fee of \$12. A person shall not engage or continue in business until the  
2 person has obtained a transaction privilege tax license.

3 B. A person desiring to engage or continue in business within a  
4 city or town that imposes a municipal privilege tax shall apply to the  
5 department of revenue for an annual municipal privilege tax license  
6 accompanied by a fee of up to \$50, as established by ordinance of the city  
7 or town. The person shall submit the fee with each new license  
8 application. The person may not engage or continue in business until the  
9 person has obtained a municipal privilege tax license. The department  
10 must collect, hold, pay and manage the fees in trust for the city or town  
11 and may not use the monies for any other purposes. The fee imposed by  
12 this subsection does not apply to a marketplace facilitator or remote  
13 seller that is only required to obtain a transaction privilege tax license  
14 pursuant to section 42-5043.

15 C. A transaction privilege tax license is valid only for the  
16 calendar year in which it is issued, but it may be renewed for the  
17 following calendar year. There is no fee for the renewal of the  
18 transaction privilege tax license. The transaction privilege tax license  
19 must be renewed at the same time and in the manner as the municipal  
20 privilege tax license renewal.

21 D. A municipal privilege tax license is valid only for the calendar  
22 year in which it is issued, but it may be renewed for the following  
23 calendar year by the payment of a license renewal fee of up to \$50. The  
24 renewal fee is due and payable on January 1 and is considered delinquent  
25 if not received on or before the last business day of January. The  
26 department must collect, hold, pay and manage the fees in trust for the  
27 city or town and may not use the monies for any other purposes. The  
28 renewal fee imposed by this subsection does not apply to a marketplace  
29 facilitator or remote seller that is only required to obtain a transaction  
30 privilege tax license pursuant to section 42-5043.

31 E. A licensee that remains in business after the municipal  
32 privilege tax license has expired is subject to the payment of the license  
33 renewal fee and the civil penalty prescribed in section 42-1125,  
34 subsection R.

35 F. If the applicant is not in arrears in payment of any tax imposed  
36 by this article, the department shall issue a license authorizing the  
37 applicant to engage and continue in business on the condition that the  
38 applicant complies with this article. The license number shall be  
39 continuous.

40 G. The transaction privilege tax license and the municipal  
41 privilege tax license are not transferable on a complete change of  
42 ownership or change of location of the business. For the purposes of this  
43 subsection:

1           1. "Location" means the business address appearing in the  
2 application for the license and on the transaction privilege tax or  
3 municipal privilege tax license.

4           2. "Ownership" means any right, title or interest in the business.

5           3. "Transferable" means the ability to convey or change the right  
6 or privilege to engage or continue in business by virtue of the issuance  
7 of the transaction privilege tax or municipal privilege tax license.

8           H. When the ownership or location of a business on which a  
9 transaction privilege tax or municipal privilege tax is imposed has been  
10 changed within the meaning of subsection G of this section, the licensee  
11 shall surrender the license to the department. The license shall be  
12 reissued to the new owners or for the new location on application by the  
13 taxpayer and payment of the \$12 fee for a transaction privilege tax  
14 license and a fee of up to \$50 per jurisdiction for a municipal privilege  
15 tax license. The department must collect, hold, pay and manage the fees  
16 in trust for the city or town and may not use the monies for any other  
17 purposes.

18           I. A person who is engaged in or conducting a business in two or  
19 more locations or under two or more business names shall procure a  
20 transaction privilege tax license for each location or business name  
21 regardless of whether all locations or business names are reported on a  
22 consolidated return under a single transaction privilege tax license  
23 number. This requirement shall not be construed as conflicting with  
24 section 42-5020.

25           J. A person who is engaged in or conducting a business in two or  
26 more locations or under two or more business names shall procure a  
27 municipal privilege tax license for each location or business name  
28 regardless of whether all locations or business names are reported on a  
29 consolidated return.

30           K. A person who is engaged in or conducting business at two or more  
31 locations or under two or more business names and who files a consolidated  
32 return under a single transaction privilege tax license number as provided  
33 by section 42-5020 is required to pay only a single municipal privilege  
34 tax license renewal fee for each local jurisdiction pursuant to subsection  
35 D of this section. A person who is engaged in or conducting business at  
36 two or more locations or under two or more business names and who does not  
37 file a consolidated return under a single license number is required to  
38 pay a license renewal fee for each location or license in a local  
39 jurisdiction.

40           L. For the purposes of this chapter and chapter 6 of this title:

41           1. Through December 31, 2018, an online lodging marketplace, as  
42 defined in section 42-5076, may register with the department for a license  
43 for the payment of taxes levied by this state and one or more counties,  
44 cities, towns or special taxing districts, at the election of the online  
45 lodging marketplace, for taxes due from an online lodging operator on any

1 online lodging transaction facilitated by the online lodging marketplace,  
 2 subject to sections 42-5076 and 42-6009.

3 2. Beginning from and after December 31, 2018, an online lodging  
 4 marketplace, as defined in section 42-5076, shall register with the  
 5 department for a license for the payment of taxes levied by this state and  
 6 one or more counties, cities, towns or special taxing districts for taxes  
 7 due from an online lodging operator on any online lodging transaction  
 8 facilitated by the online lodging marketplace, subject to sections 42-5076  
 9 and 42-6009.

10 M. For the purposes of this chapter and chapter 6 of this title, a  
 11 person who is licensed pursuant to title 32, chapter 20 and who files an  
 12 electronic consolidated tax return for individual real properties under  
 13 management on behalf of the property owners may be licensed with the  
 14 department for the payment of taxes levied by this state and by any  
 15 county, city or town with respect to those properties. There is no fee  
 16 for a license issued pursuant to this subsection.

17 N. FOR THE PURPOSES OF THIS CHAPTER, A PEER-TO-PEER CAR SHARING  
 18 PROGRAM SHALL REGISTER WITH THE DEPARTMENT FOR A SINGLE LICENSE TO PAY  
 19 TAXES THAT ARE LEVIED BY THIS STATE AND ONE OR MORE COUNTIES, CITIES,  
 20 TOWNS OR SPECIAL TAXING DISTRICTS AND THAT ARE DUE FROM A SHARED VEHICLE  
 21 OWNER FOR A SHARED VEHICLE TRANSACTION FACILITATED BY A PEER-TO-PEER CAR  
 22 SHARING PROGRAM. A PEER-TO-PEER CAR SHARING PROGRAM SHALL REMIT THE  
 23 SURCHARGES ESTABLISHED PURSUANT TO SECTIONS 5-839 AND 48-4234 ONLY IF THE  
 24 PEER-TO-PEER CAR SHARING PROGRAM ALLOWS SHARED VEHICLE TRANSACTIONS THAT  
 25 INVOLVE A VEHICLE FOR WHICH THE SHARED VEHICLE OWNER HAS NOT CERTIFIED TO  
 26 THE DEPARTMENT PURSUANT TO SECTION 28-9616, SUBSECTION C THAT IT IS AN  
 27 INDIVIDUAL-OWNED SHARED VEHICLE. FOR THE PURPOSES OF THIS SUBSECTION,  
 28 "INDIVIDUAL-OWNED SHARED VEHICLE", "PEER-TO-PEER CAR SHARING PROGRAM",  
 29 "SHARED VEHICLE OWNER" AND "SHARED VEHICLE TRANSACTION" HAVE THE SAME  
 30 MEANINGS PRESCRIBED IN SECTION 28-9601.

31 ~~N.~~ O. If a person violates this article or any rule adopted under  
 32 this article, the department upon hearing may revoke any transaction  
 33 privilege tax or municipal privilege tax license issued to the person.  
 34 The department shall provide ten days' written notice of the hearing,  
 35 stating the time and place and requiring the person to appear and show  
 36 cause why the license or licenses should not be revoked. The department  
 37 shall provide written notice to the person of the revocation of the  
 38 license. The notices may be served personally or by mail pursuant to  
 39 section 42-5037. After revocation, the department shall not issue a new  
 40 license to the person unless the person presents evidence satisfactory to  
 41 the department that the person will comply with this article and with the  
 42 rules adopted under this article. The department may prescribe the terms  
 43 under which a revoked license may be reissued.

44 ~~O.~~ P. The department may revoke any transaction privilege tax or  
 45 municipal privilege tax license issued to any person who fails for

1 thirteen consecutive months to make and file a return required by this  
2 article on or before the due date or the due date as extended by the  
3 department unless the failure is due to a reasonable cause and not due to  
4 wilful neglect.

5 ~~P.~~ Q. A person who violates any provision of this section is  
6 guilty of a class 3 misdemeanor.

7 Sec. 3. Section 42-5009, Arizona Revised Statutes, is amended to  
8 read:

9 42-5009. Certificates establishing deductions; liability for  
10 making false certificate; tax exclusion;  
11 definitions

12 A. A person who conducts any business classified under article 2 of  
13 this chapter may establish entitlement to the allowable deductions from  
14 the tax base of that business by both:

15 1. Marking the invoice for the transaction to indicate that the  
16 gross proceeds of sales or gross income derived from the transaction was  
17 deducted from the tax base.

18 2. Obtaining a certificate executed by the purchaser indicating the  
19 name and address of the purchaser, the precise nature of the business of  
20 the purchaser, the purpose for which the purchase was made, the necessary  
21 facts to establish the appropriate deduction and the tax license number of  
22 the purchaser to the extent the deduction depends on the purchaser  
23 conducting business classified under article 2 of this chapter and a  
24 certification that the person executing the certificate is authorized to  
25 do so on behalf of the purchaser. The certificate may be disregarded if  
26 the seller has reason to believe that the information contained in the  
27 certificate is not accurate or complete.

28 B. A person who does not comply with subsection A of this section  
29 may establish entitlement to the deduction by presenting facts necessary  
30 to support the entitlement, but the burden of proof is on that person.

31 C. The department may prescribe a form for the certificate  
32 described in subsection A of this section. Under such rules as it may  
33 prescribe, the department may also describe transactions with respect to  
34 which a person is not entitled to rely solely on the information contained  
35 in the certificate provided for in subsection A of this section but must  
36 instead obtain such additional information as required by the rules in  
37 order to be entitled to the deduction.

38 D. If a seller is entitled to a deduction by complying with  
39 subsection A of this section, the department may require the purchaser  
40 that caused the execution of the certificate to establish the accuracy and  
41 completeness of the information required to be contained in the  
42 certificate that would entitle the seller to the deduction. If the  
43 purchaser cannot establish the accuracy and completeness of the  
44 information, the purchaser is liable in an amount equal to any tax,  
45 penalty and interest that the seller would have been required to pay under

1 this article if the seller had not complied with subsection A of this  
2 section. Payment of the amount under this subsection exempts the  
3 purchaser from liability for any tax imposed under article 4 of this  
4 chapter. The amount shall be treated as tax revenues collected from the  
5 seller in order to designate the distribution base for purposes of section  
6 42-5029.

7 E. If a seller is entitled to a deduction by complying with  
8 subsection B of this section, the department may require the purchaser to  
9 establish the accuracy and completeness of the information provided to the  
10 seller that entitled the seller to the deduction. If the purchaser cannot  
11 establish the accuracy and completeness of the information, the purchaser  
12 is liable in an amount equal to any tax, penalty and interest that the  
13 seller would have been required to pay under this article if the seller  
14 had not complied with subsection B of this section. Payment of the amount  
15 under this subsection exempts the purchaser from liability for any tax  
16 imposed under article 4 of this chapter. The amount shall be treated as  
17 tax revenues collected from the seller in order to designate the  
18 distribution base for purposes of section 42-5029.

19 F. The department may prescribe a form for a certificate used to  
20 establish entitlement to the deductions described in section 42-5061,  
21 subsection A, paragraph 46 and section 42-5063, subsection B, paragraph 3.  
22 Under rules the department may prescribe, the department may also require  
23 additional information for the seller to be entitled to the deduction. If  
24 a seller is entitled to the deductions described in section 42-5061,  
25 subsection A, paragraph 46 and section 42-5063, subsection B, paragraph 3,  
26 the department may require the purchaser who executed the certificate to  
27 establish the accuracy and completeness of the information contained in  
28 the certificate that would entitle the seller to the deduction. If the  
29 purchaser cannot establish the accuracy and completeness of the  
30 information, the purchaser is liable in an amount equal to any tax,  
31 penalty and interest that the seller would have been required to pay under  
32 this article. Payment of the amount under this subsection exempts the  
33 purchaser from liability for any tax imposed under article 4 of this  
34 chapter. The amount shall be treated as tax revenues collected from the  
35 seller in order to designate the distribution base for purposes of section  
36 42-5029.

37 G. If a seller claims a deduction under section 42-5061,  
38 subsection A, paragraph 25 and establishes entitlement to the deduction  
39 with an exemption letter that the purchaser received from the department  
40 and the exemption letter was based on a contingent event, the department  
41 may require the purchaser that received the exemption letter to establish  
42 the satisfaction of the contingent event within a reasonable time. If the  
43 purchaser cannot establish the satisfaction of the event, the purchaser is  
44 liable in an amount equal to any tax, penalty and interest that the seller  
45 would have been required to pay under this article if the seller had not

1 been furnished the exemption letter. Payment of the amount under this  
2 subsection exempts the purchaser from liability for any tax imposed under  
3 article 4 of this chapter. The amount shall be treated as tax revenues  
4 collected from the seller in order to designate the distribution base for  
5 purposes of section 42-5029. For the purposes of this subsection,  
6 "reasonable time" means a time limitation that the department determines  
7 and that does not exceed the time limitations pursuant to section 42-1104.

8 H. The department shall prescribe forms for certificates used to  
9 establish the satisfaction of the criteria necessary to qualify the sale  
10 of a motor vehicle for the deductions described in section 42-5061,  
11 subsection A, paragraph 14, paragraph 28, subdivision (a) and paragraph 44  
12 and subsection U. Except as provided in subsection J of this section, to  
13 establish entitlement to these deductions, a motor vehicle dealer shall  
14 retain:

15 1. A valid certificate as prescribed by this subsection completed  
16 by the purchaser and obtained ~~prior to~~ BEFORE the issuance of the  
17 nonresident registration permit authorized by section 28-2154.

18 2. A copy of the nonresident registration permit authorized by  
19 section 28-2154.

20 3. A legible copy of a current valid driver license issued to the  
21 purchaser by another state or foreign country that indicates an address  
22 outside of this state. For the sale of a motor vehicle to a nonresident  
23 entity, the entity's representative must have a current valid driver  
24 license issued by the same jurisdiction as that in which the entity is  
25 located.

26 4. For the purposes of the deduction provided by section 42-5061,  
27 subsection A, paragraph 14, a certificate documenting the delivery of the  
28 motor vehicle to an out-of-state location.

29 I. Notwithstanding subsection A, paragraph 2 of this section, if a  
30 motor vehicle dealer has established entitlement to a deduction by  
31 complying with subsection H of this section, the department may require  
32 the purchaser who executed the certificate to establish the accuracy and  
33 completeness of the information contained in the certificate that entitled  
34 the motor vehicle dealer to the deduction. If the purchaser cannot  
35 establish the accuracy and completeness of the information, the purchaser  
36 is liable in an amount equal to any tax, penalty and interest that the  
37 motor vehicle dealer would have been required to pay under this article  
38 and under articles IV and V of the model city tax code as defined in  
39 section 42-6051. Payment of the amount under this subsection exempts the  
40 purchaser from liability for any tax imposed under article 4 of this  
41 chapter and any tax imposed under article VI of the model city tax code as  
42 defined in section 42-6051. The amount shall be treated as tax revenues  
43 collected from the motor vehicle dealer in order to designate the  
44 distribution base for purposes of section 42-5029.



1 J. To establish entitlement to the deduction described in section  
2 42-5061, subsection A, paragraph 44, a public consignment auction dealer  
3 as defined in section 28-4301 shall submit the valid certificate  
4 prescribed by subsection H of this section to the department and retain a  
5 copy for its records.

6 K. Notwithstanding any other law, compliance with subsection H of  
7 this section by a motor vehicle dealer entitles the motor vehicle dealer  
8 to the exemption provided in section 42-6004, subsection A, paragraph 4.

9 L. The department shall prescribe a form for a certificate to be  
10 used by a person that is not subject to tax under section 42-5075 when the  
11 person is engaged by a contractor that is subject to tax under section  
12 42-5075 for a project that is taxable under section 42-5075. The  
13 certificate permits the person purchasing tangible personal property to be  
14 incorporated or fabricated by the person into any real property,  
15 structure, project, development or improvement to provide documentation to  
16 a retailer that the sale of tangible personal property qualifies for the  
17 deduction under section 42-5061, subsection A, paragraph 27,  
18 subdivision (b). A prime contractor shall obtain the certificate from the  
19 department and shall provide a copy to any such person working on the  
20 project. The prime contractor shall obtain a new certificate for each  
21 project to which this subsection applies. For the purposes of this  
22 subsection, the following apply:

23 1. The person that is not subject to tax under section 42-5075 may  
24 use the certificate issued pursuant to this subsection only with respect  
25 to tangible personal property that will be incorporated into a project for  
26 which the gross receipts are subject to tax under section 42-5075.

27 2. The department shall issue the certificate to the prime  
28 contractor on receiving sufficient documentation to establish that the  
29 prime contractor meets the requirements of this subsection.

30 3. If any person uses the certificate provided under this  
31 subsection to purchase tangible personal property to be used in a project  
32 that is not subject to tax under section 42-5075, the person is liable in  
33 an amount equal to any tax, penalty and interest that the seller would  
34 have been required to pay under this article if the seller had not  
35 complied with subsection A of this section. Payment of the amount under  
36 this section exempts the person from liability for any tax imposed under  
37 article 4 of this chapter. The amount shall be sourced under section  
38 42-5040, subsection A, paragraph 2.

39 M. Notwithstanding any other law, compliance with subsection L of  
40 this section by a person that is not subject to tax under section 42-5075  
41 entitles the person to the exemption allowed by section 465,  
42 subsection (k) of the model city tax code when purchasing tangible  
43 personal property to be incorporated or fabricated by the person into any  
44 real property, structure, project, development or improvement.

1 N. The requirements of subsections A and B of this section do not  
2 apply to owners, proprietors or tenants of agricultural lands or farms who  
3 sell livestock or poultry feed that is grown or raised on their lands to  
4 any of the following:

5 1. Persons who feed their own livestock or poultry.

6 2. Persons who are engaged in the business of producing livestock  
7 or poultry commercially.

8 3. Persons who are engaged in the business of feeding livestock or  
9 poultry commercially or who board livestock noncommercially.

10 0. A vendor who has reason to believe that a certificate prescribed  
11 by this section is not accurate or complete will not be relieved of the  
12 burden of proving entitlement to the exemption. A vendor that accepts a  
13 certificate in good faith will be relieved of the burden of proof and the  
14 purchaser may be required to establish the accuracy of the claimed  
15 exemption. If the purchaser cannot establish the accuracy and  
16 completeness of the information provided in the certificate, the purchaser  
17 is liable for an amount equal to the transaction privilege tax, penalty  
18 and interest that the vendor would have been required to pay if the vendor  
19 had not accepted the certificate.

20 P. Notwithstanding any other law, an online lodging operator, as  
21 defined in section 42-5076, shall be entitled to an exclusion from any  
22 applicable taxes for any online lodging transaction, as defined in section  
23 42-5076, facilitated by an online lodging marketplace, as defined in  
24 section 42-5076, for which the online lodging operator has obtained from  
25 the online lodging marketplace written notice that the online lodging  
26 marketplace is registered with the department to collect applicable taxes  
27 for all online lodging transactions facilitated by the online lodging  
28 marketplace, and transaction history documenting tax collected by the  
29 online lodging marketplace, pursuant to section 42-5005, subsection L.

30 Q. The department shall prescribe the form of a certificate to be  
31 used by a person purchasing an aircraft to document eligibility for a  
32 deduction pursuant to section 42-5061, subsection B, paragraph 7,  
33 subdivision (a), item (v) or an exemption pursuant to section 42-5159,  
34 subsection B, paragraph 7, subdivision (a), item (v), relating to  
35 aircraft. The person must provide this certificate and documentation  
36 confirming that the operational control of the aircraft has been  
37 transferred or will be transferred immediately after the purchase to one  
38 or more persons described in section 42-5061, subsection B, paragraph 7,  
39 subdivision (a), item (i), (ii), (iii) or (iv) or section 42-5159,  
40 subsection B, paragraph 7, subdivision (a), item (i), (ii), (iii) or (iv).  
41 Operational control of the aircraft must be transferred for at least fifty  
42 percent of the aircraft's flight hours. If such operational control is  
43 not transferred for at least fifty percent of the aircraft's flight hours  
44 during the recapture period, the owner of the aircraft is liable for an  
45 amount equal to any tax that the seller or purchaser would have been

1 required to pay under this chapter at the time of the sale, plus penalty  
2 and interest. The recapture period begins on the date that operational  
3 control of the aircraft is first transferred and ends on the later of the  
4 date the aircraft is fully depreciated for federal income tax purposes or  
5 five years after operational control was first transferred. For the  
6 purposes of this subsection, operational control of the aircraft must be  
7 within the meaning of federal aviation administration operations  
8 specification A008, or its successor, except that:

9 1. If it is determined that operational control has been  
10 transferred for less than fifty percent but more than forty percent of the  
11 aircraft's flight hours, the owner of the aircraft is liable for an amount  
12 equal to any tax that the seller or purchaser would have been required to  
13 pay under this chapter at the time of the sale, plus interest.

14 2. If the aircraft is sold during the recapture period, the seller  
15 is not liable for the amount determined pursuant to this subsection unless  
16 the operational control of the aircraft had not been transferred for at  
17 least fifty percent of the aircraft's flight hours at the time of the  
18 sale.

19 R. NOTWITHSTANDING ANY OTHER LAW, A SHARED VEHICLE OWNER IS  
20 ENTITLED TO AN EXCLUSION FROM ANY APPLICABLE TAXES FOR A SHARED VEHICLE  
21 TRANSACTION THAT IS FACILITATED BY A PEER-TO-PEER CAR SHARING PROGRAM AND  
22 FOR WHICH THE PEER-TO-PEER CAR SHARING PROGRAM HAS COLLECTED AND REMITTED  
23 APPLICABLE TAXES.

24 S. FOR THE PURPOSES OF THIS SECTION, "PEER-TO-PEER CAR SHARING  
25 PROGRAM", "SHARED VEHICLE OWNER" AND "SHARED VEHICLE TRANSACTION" HAVE THE  
26 SAME MEANINGS PRESCRIBED IN SECTION 28-9601.

27 Sec. 4. Section 42-5014, Arizona Revised Statutes, is amended to  
28 read:

29 42-5014. Return and payment of tax; estimated tax;  
30 extensions; abatements; definitions

31 A. Except as provided in subsection B, C, D, E or F of this  
32 section, the taxes levied under this article:

33 1. Are due and payable monthly in the form required by section  
34 42-5018 for the amount of the tax, to the department, on or before the  
35 twentieth day of the month next succeeding the month in which the tax  
36 accrues.

37 2. Are delinquent as follows:

38 (a) For taxpayers that are required or elect to file and pay  
39 electronically in any month, if not received by the department on or  
40 before the last business day of the month.

41 (b) For all other taxpayers, if not received by the department on  
42 or before the business day preceding the last business day of the month.

43 B. The department, for any taxpayer whose estimated annual  
44 liability for taxes imposed or administered by this article or chapter 6  
45 of this title is between \$2,000 and \$8,000, shall authorize the taxpayer

1 to pay the taxes on a quarterly basis. The department, for any taxpayer  
2 whose estimated annual liability for taxes imposed by this article is less  
3 than \$2,000, shall authorize the taxpayer to pay the taxes on an annual  
4 basis. For the purposes of this subsection, the taxes due under this  
5 article:

6 1. For taxpayers that are authorized to pay on a quarterly basis,  
7 are due and payable monthly in the form required by section 42-5018 for  
8 the amount of the tax, to the department, on or before the twentieth day  
9 of the month next succeeding the quarter in which the tax accrues.

10 2. For taxpayers that are authorized to pay on an annual basis, are  
11 due and payable monthly in the form required by section 42-5018 for the  
12 amount of the tax, to the department, on or before the twentieth day of  
13 January next succeeding the year in which the tax accrues.

14 3. Are delinquent as follows:

15 (a) For taxpayers that are required or elect to file and pay  
16 electronically in any quarter, if not received by the department on or  
17 before the last business day of the month.

18 (b) For all other taxpayers that are required to file and pay  
19 quarterly, if not received by the department on or before the business day  
20 preceding the last business day of the month.

21 (c) For taxpayers that are required or elect to file and pay  
22 electronically on an annual basis, if not received by the department on or  
23 before the last business day of January.

24 (d) For all other taxpayers that are required to file and pay  
25 annually, if not received by the department on or before the business day  
26 preceding the last business day of January.

27 C. The department may require a taxpayer whose business is of a  
28 transient character to file the return and remit the taxes imposed by this  
29 article on a daily, a weekly or a transaction-by-transaction basis, and  
30 those returns and payments are due and payable on the date fixed by the  
31 department without a grace period otherwise allowed by this section. For  
32 the purposes of this subsection, "business of a transient character" means  
33 sales activity by a taxpayer not regularly engaged in selling within this  
34 state that is conducted from vehicles, portable stands, rented spaces,  
35 structures or booths, or concessions at fairs, carnivals, circuses,  
36 festivals or similar activities for not more than thirty consecutive days.

37 D. If the business entity under which a taxpayer reports and pays  
38 income tax under title 43 has an annual total tax liability under this  
39 article, article 6 of this chapter and chapter 6, article 3 of this title  
40 of \$1,000,000 or more in 2019, \$1,600,000 or more in 2020, \$2,300,000 or  
41 more in 2021, \$3,100,000 or more in 2022 or \$4,100,000 or more in 2023 and  
42 each year thereafter, based on the actual tax liability in the preceding  
43 calendar year, regardless of the number of offices at which the taxes  
44 imposed by this article, article 6 of this chapter or chapter 6, article 3  
45 of this title are collected, or if the taxpayer can reasonably anticipate

1 such liability in the current year, the taxpayer shall report on a form  
2 prescribed by the department and pay an estimated tax payment each June.  
3 Any other taxpayer may voluntarily elect to pay the estimated tax payment  
4 pursuant to this subsection. The payment shall be made on or before  
5 June 20 in the same manner as the taxpayer is required to make regular  
6 payments and is delinquent if not received by the department on or before  
7 the last business day of June if the taxpayer is required to make the  
8 payment by electronic means, ~~or~~ IS delinquent on or before the business  
9 day preceding the last business day of June for those taxpayers allowed to  
10 file by mail, ~~or~~ IS delinquent if not received by the department on the  
11 business day preceding the last business day of June for those taxpayers  
12 allowed to file in person. The estimated tax paid shall be credited  
13 against the taxpayer's tax liability under this article, article 6 of this  
14 chapter and chapter 6, article 3 of this title for the month of June for  
15 the current calendar year. The estimated tax payment shall equal either:

16 1. One-half of the actual tax liability under this article plus  
17 one-half of any tax liability under article 6 of this chapter and chapter  
18 6, article 3 of this title for May of the current calendar year.

19 2. The actual tax liability under this article plus any tax  
20 liability under article 6 of this chapter and chapter 6, article 3 of this  
21 title for the first fifteen days of June of the current calendar year.

22 E. An online lodging marketplace, as defined in section 42-5076,  
23 that is registered with the department pursuant to section 42-5005,  
24 subsection L:

25 1. Shall remit to the department the applicable taxes payable  
26 pursuant to section 42-5076 and chapter 6 of this title with respect to  
27 each online lodging transaction, as defined in section 42-5076,  
28 facilitated by the online lodging marketplace.

29 2. Shall report the taxes monthly and remit the aggregate total  
30 amounts for each of the respective taxing jurisdictions.

31 3. Shall not be required to list or otherwise identify any  
32 individual online lodging operator, as defined in section 42-5076, on any  
33 return or any attachment to a return.

34 F. A person who is licensed pursuant to title 32, chapter 20 and  
35 who is licensed with the department pursuant to section 42-5005,  
36 subsection M shall:

37 1. File a consolidated return monthly with respect to all managed  
38 properties for which the licensee files an electronic consolidated tax  
39 return pursuant to section 42-6013.

40 2. Remit to the department the aggregate total amount of the  
41 applicable taxes payable pursuant to this chapter and chapter 6 of this  
42 title for all of the respective taxing jurisdictions with respect to the  
43 managed properties.

44 G. A PEER-TO-PEER CAR SHARING PROGRAM THAT IS LICENSED BY THE  
45 DEPARTMENT PURSUANT TO SECTION 42-5005, SUBSECTION N:

1           1. SHALL ELECTRONICALLY REMIT TO THE DEPARTMENT THE APPLICABLE  
2 TAXES PURSUANT TO SECTION 42-5071 AND, IF THE PEER-TO-PEER CAR SHARING  
3 PROGRAM ALLOWS OWNERS OF VEHICLES THAT ARE NOT INDIVIDUAL-OWNED SHARED  
4 VEHICLES TO USE THE PEER-TO-PEER CAR SHARING PROGRAM, APPLICABLE  
5 SURCHARGES PURSUANT TO SECTIONS 5-839 AND 48-4234.

6           2. SHALL ELECTRONICALLY REPORT THE TAXES MONTHLY AND REMIT THE  
7 AGGREGATE TOTAL AMOUNTS FOR EACH RESPECTIVE TAXING JURISDICTION.

8           3. IS NOT REQUIRED TO LIST OR OTHERWISE IDENTIFY AN  
9 INDIVIDUAL-OWNED SHARED VEHICLE ON ANY RETURN OR ANY ATTACHMENT TO A  
10 RETURN. THE PEER-TO-PEER CAR SHARING PROGRAM SHALL RETAIN SURCHARGE AND  
11 TAX INFORMATION FOR EACH PEER-TO-PEER CAR SHARING PROGRAM TRANSACTION AND  
12 SHALL PROVIDE THE INFORMATION TO THE DEPARTMENT AT THE DEPARTMENT'S  
13 REQUEST.

14           H. THE REMITTANCE OF TRANSACTION PRIVILEGE TAX AND ANY OTHER TAX  
15 APPLICABLE TO THE SHARED VEHICLE TRANSACTION BY A PEER-TO-PEER CAR SHARING  
16 PROGRAM FULLY SATISFIES ANY OBLIGATION OF A SHARED VEHICLE OWNER TO REMIT  
17 ANY TAXES APPLICABLE TO THE SHARED VEHICLE TRANSACTION.

18           ~~G.~~ I. The taxpayer shall prepare a return showing the amount of  
19 the tax for which the taxpayer is liable for the preceding month, and  
20 shall mail or deliver the return to the department in the same manner and  
21 time as prescribed for the payment of taxes in subsection A of this  
22 section. If the taxpayer fails to file the return in the manner and time  
23 as prescribed for the payment of taxes in subsection A of this section,  
24 the amount of the tax required to be shown on the return is subject to the  
25 penalty imposed pursuant to section 42-1125, subsection X, without any  
26 reduction for taxes paid on or before the due date of the return. The  
27 return shall be verified by the oath of the taxpayer or an authorized  
28 agent or as prescribed by the department pursuant to section 42-1105,  
29 subsection B.

30           ~~H.~~ J. Any person who is taxable under this article and who makes  
31 cash and credit sales shall report the cash and credit sales separately  
32 and may apply for and obtain from the department an extension of time to  
33 pay taxes due on the credit sales. The department shall grant the  
34 extension under such rules as the department prescribes. When the  
35 extension is granted, the taxpayer shall thereafter include in each  
36 monthly report all collections made on such credit sales during the month  
37 next preceding and shall pay the taxes due at the time of filing such a  
38 report.

39           ~~I.~~ K. The returns required under this article shall be made on  
40 forms prescribed by the department and shall capture data with sufficient  
41 specificity to meet the needs of all taxing jurisdictions.

42           ~~J.~~ L. Any person who is engaged in or conducting business in two  
43 or more locations or under two or more business names shall file the  
44 return required under this article using an electronic filing program  
45 established by the department.

1           ~~K~~. M. For taxable periods beginning from and after December 31,  
2 2017, any taxpayer with an annual total tax liability under this chapter  
3 and chapter 6 of this title of \$20,000 or more, based on the actual tax  
4 liability in the preceding calendar year, regardless of the number of  
5 offices at which the taxes imposed by this chapter or chapter 6 of this  
6 title are collected, or a taxpayer that can reasonably anticipate that  
7 liability in the current year, shall file the return required under this  
8 article using an electronic filing program established by the department.

9           ~~L~~. N. For taxable periods beginning from and after December 31,  
10 2018, any taxpayer with an annual total tax liability under this chapter  
11 and chapter 6 of this title of \$10,000 or more, based on the actual tax  
12 liability in the preceding calendar year, regardless of the number of  
13 offices at which the taxes imposed by this chapter or chapter 6 of this  
14 title are collected, or a taxpayer that can reasonably anticipate that  
15 liability in the current year, shall file the return required under this  
16 article using an electronic filing program established by the department.

17           ~~M~~. O. For taxable periods beginning from and after December 31,  
18 2019, any taxpayer with an annual total tax liability under this chapter  
19 and chapter 6 of this title of \$5,000 or more, based on the actual tax  
20 liability in the preceding calendar year, regardless of the number of  
21 offices at which the taxes imposed by this chapter or chapter 6 of this  
22 title are collected, or a taxpayer that can reasonably anticipate that  
23 liability in the current year, shall file the return required under this  
24 article using an electronic filing program established by the department.

25           ~~N~~. P. For taxable periods beginning from and after December 31,  
26 2020, any taxpayer with an annual total tax liability under this chapter  
27 and chapter 6 of this title of \$500 or more, based on the actual tax  
28 liability in the preceding calendar year, regardless of the number of  
29 offices at which the taxes imposed by this chapter or chapter 6 of this  
30 title are collected, or a taxpayer that can reasonably anticipate that  
31 liability in the current year, shall file the return required under this  
32 article using an electronic filing program established by the department.

33           ~~O~~. Q. Any taxpayer that is required to report and pay using an  
34 electronic filing program established by the department may apply to the  
35 director, on a form prescribed by the department, for an annual waiver  
36 from the electronic filing requirement. The director may grant a waiver,  
37 which may be renewed, if any of the following applies:

- 38           1. The taxpayer has no computer.
  - 39           2. The taxpayer has no internet access.
  - 40           3. Any other circumstance considered to be worthy by the director
- 41 exists.

42           ~~P~~. R. A waiver is not required if the return cannot be  
43 electronically filed for reasons beyond the taxpayer's control, including  
44 situations in which the taxpayer was instructed by either the internal  
45 revenue service or the department of revenue to file by paper.

1 ~~S.~~ S. The department, for good cause, may extend the time for  
2 making any return required by this article and may grant such reasonable  
3 additional time within which to make the return as it deems proper, but  
4 the time for filing the return shall not be extended beyond the first day  
5 of the third month next succeeding the regular due date of the return.

6 ~~T.~~ T. The department, with the approval of the attorney general,  
7 may abate small tax balances if the administration costs exceed the amount  
8 of tax due.

9 ~~U.~~ U. For the purposes of subsection D of this section, "taxpayer"  
10 means the business entity under which the business reports and pays state  
11 income taxes regardless of the number of offices at which the taxes  
12 imposed by this article, article 6 of this chapter or chapter 6, article 3  
13 of this title are collected.

14 V. FOR THE PURPOSES OF THIS SECTION, "INDIVIDUAL-OWNED SHARED  
15 VEHICLE", "PEER-TO-PEER CAR SHARING PROGRAM", "SHARED VEHICLE OWNER" AND  
16 "SHARED VEHICLE TRANSACTION" HAVE THE SAME MEANINGS PRESCRIBED IN SECTION  
17 28-9601.

18 Sec. 5. Section 42-5040, Arizona Revised Statutes, is amended to  
19 read:

20 42-5040. Sourcing of certain transactions involving tangible  
21 personal property; definitions

22 A. Except as provided in section 42-5075, retail sales of tangible  
23 personal property shall be sourced as follows:

24 1. To the seller's business location if the seller receives the  
25 order at a business location in this state.

26 2. Except as provided in section 42-5008.01, to the purchaser's  
27 location in this state if the seller receives the order at a business  
28 location outside this state or, if there is no delivery address, to the  
29 purchaser's billing address.

30 B. A SHARED VEHICLE TRANSACTION SHALL BE SOURCED AS FOLLOWS:

31 1. TO THE PERMANENT STREET ADDRESS OF THE REGISTERED SHARED VEHICLE  
32 OWNER IF THE SHARED VEHICLE IS REGISTERED IN THIS STATE.

33 2. TO THE STREET ADDRESS IN THIS STATE WHERE THE SHARED VEHICLE  
34 OWNER RESIDES WHILE IN THIS STATE IF THE SHARED VEHICLE IS REGISTERED IN  
35 ANOTHER STATE OR COUNTRY.

36 ~~C.~~ C. For the purposes of SUBSECTION A OF this section, an order  
37 is received when all of the information necessary to accept the order has  
38 been received by or on behalf of the seller, regardless of where the order  
39 is accepted or approved. The place of business or residence of the  
40 purchaser does not determine where the order is received.

41 ~~D.~~ D. The gross receipts from leasing or renting tangible personal  
42 property shall be sourced as follows:

43 1. To the lessor's business location if the lessor has a business  
44 location in this state.



1           2. To the lessee's address if the lessor does not have a business  
2 location in this state or, if there is no lessee's address, to the  
3 lessee's billing address. The gross receipts are taxable when the  
4 property is shipped, delivered or otherwise brought into this state for  
5 use in this state.

6           ~~D.~~ E. For the purposes of this section:

7           1. "Lessee's address" means the residential address of an  
8 individual lessee and the primary business address of any other lessee.

9           2. "Lessor's business location" means the business address that  
10 appears on the lessor's transaction privilege tax license.

11           3. "SHARED VEHICLE" HAS THE SAME MEANING PRESCRIBED IN SECTION  
12 28-9601.

13           4. "SHARED VEHICLE OWNER" HAS THE SAME MEANING PRESCRIBED IN  
14 SECTION 28-9601.

15           5. "SHARED VEHICLE TRANSACTION" HAS THE SAME MEANING PRESCRIBED IN  
16 SECTION 28-9601.

17           Sec. 6. Section 42-5071, Arizona Revised Statutes, is amended to  
18 read:

19           42-5071. Personal property rental classification; definitions

20           A. The personal property rental classification is comprised of the  
21 business of leasing or renting tangible personal property for a  
22 consideration **AND INCLUDES PEER-TO-PEER CAR SHARING**. The tax does not  
23 apply to:

24           1. Leasing or renting films, tapes or slides used by theaters or  
25 movies, which are engaged in business under the amusement classification,  
26 or used by television stations or radio stations.

27           2. Activities engaged in by the Arizona exposition and state fair  
28 board or county fair commissions in connection with events sponsored by  
29 such entities.

30           3. Leasing or renting tangible personal property by a parent  
31 business entity to a subsidiary business entity or by a subsidiary  
32 business entity to another subsidiary of the same parent business entity  
33 if taxes were paid under this chapter on the gross proceeds or gross  
34 income accruing from the initial sale of the tangible personal property.  
35 For the purposes of this paragraph, "subsidiary" means a business entity  
36 of which at least eighty percent of the voting shares are owned by the  
37 parent business entity.

38           4. Operating coin-operated washing, drying and dry cleaning  
39 machines or coin-operated car washing machines at establishments for the  
40 use of such machines.

41           5. Leasing or renting tangible personal property for incorporation  
42 into or comprising any part of a qualified environmental technology  
43 facility as described in section 41-1514.02. This paragraph shall apply  
44 for ten full consecutive calendar or fiscal years following the initial

1 lease or rental by each qualified environmental technology manufacturer,  
2 producer or processor.

3 6. Leasing or renting aircraft, flight simulators or similar  
4 training equipment to students or staff by nonprofit, accredited  
5 educational institutions that offer associate or baccalaureate degrees in  
6 aviation or aerospace related fields.

7 7. Leasing or renting photographs, transparencies or other creative  
8 works used by this state on internet websites, in magazines or in other  
9 publications that encourage tourism.

10 8. Leasing or renting certified ignition interlock devices  
11 installed pursuant to the requirements prescribed by section 28-1461. For  
12 the purposes of this paragraph, "certified ignition interlock device" has  
13 the same meaning prescribed in section 28-1301.

14 9. The leasing or renting of space to make attachments to utility  
15 poles, as follows:

16 (a) By a person that is engaged in business under section 42-5063  
17 or 42-5064 or that is a cable operator.

18 (b) To a person that is engaged in business under section 42-5063  
19 or 42-5064 or that is a cable operator.

20 10. Leasing or renting billboards that are designed, intended or  
21 used to advertise or inform and that are visible from any street, road or  
22 other highway.

23 B. The tax base for the personal property rental classification is  
24 the gross proceeds of sales or gross income derived from the business, but  
25 the gross proceeds of sales or gross income derived from the following  
26 shall be deducted from the tax base:

27 1. Reimbursements by the lessee to the lessor of a motor vehicle  
28 for payments by the lessor of the applicable fees and taxes imposed by  
29 sections 28-2003, 28-2352, 28-2402, 28-2481 and 28-5801, title 28, chapter  
30 15, article 2 and article IX, section 11, Constitution of Arizona, to the  
31 extent such amounts are separately identified as such fees and taxes and  
32 are billed to the lessee.

33 2. Leases or rentals of tangible personal property that, if it had  
34 been purchased instead of leased or rented by the lessee, would have been  
35 exempt under:

36 (a) Section 42-5061, subsection A, paragraph 8, 9, 12, 13, 25, 29,  
37 49 or 53.

38 (b) Section 42-5061, subsection B, except that a lease or rental of  
39 new machinery or equipment is not exempt pursuant to section 42-5061,  
40 subsection B, paragraph 13 if the lease is for less than two years.

41 (c) Section 42-5061, subsection I, paragraph 1.

42 (d) Section 42-5061, subsection M.

43 3. Motor vehicle fuel and use fuel that are subject to a tax  
44 imposed under title 28, chapter 16, article 1, sales of use fuel to a  
45 holder of a valid single trip use fuel tax permit issued under section

1 28-5739 and sales of aviation fuel that are subject to the tax imposed  
2 under section 28-8344.

3 4. Leasing or renting a motor vehicle subject to and on which the  
4 fee has been paid under title 28, chapter 16, article 4.

5 5. Amounts received by a motor vehicle dealer for the first month  
6 of a lease payment if the lease and the lease payment for the first month  
7 of the lease are transferred to a third-party leasing company.

8 C. Sales of tangible personal property to be leased or rented to a  
9 person engaged in a business classified under the personal property rental  
10 classification are deemed to be resale sales.

11 D. In computing the tax base, the gross proceeds of sales or gross  
12 income from the lease or rental of a motor vehicle does not include any  
13 amount attributable to the car rental surcharge under section 5-839,  
14 28-5810 or 48-4234.

15 E. Until December 31, 1988, leasing or renting animals for  
16 recreational purposes is exempt from the tax imposed by this section.  
17 Beginning January 1, 1989, the gross proceeds or gross income from leasing  
18 or renting animals for recreational purposes is subject to taxation under  
19 this section. Tax liabilities, penalties and interest paid for taxable  
20 periods before January 1, 1989 shall not be refunded unless the taxpayer  
21 requesting the refund provides proof satisfactory to the department that  
22 the monies paid as taxes will be returned to the customer.

23 F. THE TAX BASE OF THE PERSONAL PROPERTY RENTAL CLASSIFICATION DOES  
24 NOT INCLUDE THE GROSS PROCEEDS OR GROSS INCOME RECEIVED BY A SHARED  
25 VEHICLE OWNER FROM A SHARED VEHICLE TRANSACTION.

26 ~~F.~~ G. For the purposes of this section:

27 1. "Cable operator" has the same meaning prescribed in section  
28 9-505 and includes a video service provider.

29 2. "PEER-TO-PEER CAR SHARING" HAS THE SAME MEANING PRESCRIBED IN  
30 SECTION 28-9601.

31 3. "PEER-TO-PEER CAR SHARING PROGRAM" HAS THE SAME MEANING  
32 PRESCRIBED IN SECTION 28-9601.

33 4. "SHARED VEHICLE OWNER" HAS THE SAME MEANING PRESCRIBED IN  
34 SECTION 28-9601.

35 5. "SHARED VEHICLE TRANSACTION" HAS THE SAME MEANING PRESCRIBED IN  
36 SECTION 28-9601.

37 ~~F.~~ 6. "Utility pole" means any wooden, metal or other pole used  
38 for utility purposes and the pole's appurtenances that are attached or  
39 authorized for attachment by the person controlling the pole.