

REFERENCE TITLE: luxury privilege tax; credit

State of Arizona  
Senate  
Fifty-fifth Legislature  
Second Regular Session  
2022

# **SB 1408**

Introduced by  
Senator Gowan

AN ACT

AMENDING TITLE 42, CHAPTER 3, ARTICLE 8, ARIZONA REVISED STATUTES, BY  
ADDING SECTION 42-3357; RELATING TO LUXURY PRIVILEGE TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 42, chapter 3, article 8, Arizona Revised  
3 Statutes, is amended by adding section 42-3357, to read:

4 42-3357. Credit for craft distillers, farm wineries and  
5 microbreweries

6 A. A CREDIT IS ALLOWED AGAINST THE TAXES IMPOSED BY THIS CHAPTER AS  
7 FOLLOWS:

8 1. FOR A TAXPAYER THAT HOLDS A LICENSE PURSUANT TO SECTION 4-205.10  
9 AND THAT PAID THE TAX IMPOSED PURSUANT TO SECTION 42-3052, PARAGRAPH 1, AN  
10 AMOUNT OF \$2 PER GALLON OR A PROPORTIONATE RATE FOR ANY LESSER OR GREATER  
11 QUANTITY THAN ONE GALLON FOR THE FIRST TWENTY THOUSAND GALLONS PRODUCED.

12 2. FOR A TAXPAYER THAT HOLDS A LICENSE PURSUANT TO SECTION 4-205.04  
13 AND THAT PAID THE TAX IMPOSED PURSUANT TO SECTION 42-3052, PARAGRAPH 2, AN  
14 AMOUNT OF \$.50 PER GALLON OR A PROPORTIONATE RATE FOR ANY LESSER OR  
15 GREATER QUANTITY THAN ONE GALLON FOR THE FIRST TWENTY THOUSAND GALLONS  
16 PRODUCED.

17 3. FOR A TAXPAYER THAT HOLDS A LICENSE PURSUANT TO SECTION 4-205.08  
18 AND THAT PAID THE TAX IMPOSED PURSUANT TO SECTION 42-3052, PARAGRAPH 4, AN  
19 AMOUNT OF \$.10 PER GALLON OR A PROPORTIONATE RATE FOR ANY LESSER OR  
20 GREATER QUANTITY THAN ONE GALLON FOR THE FIRST FIVE HUNDRED THOUSAND  
21 GALLONS PRODUCED.

22 B. A TAXPAYER SHALL CLAIM THE CREDIT FOR EACH TAX PERIOD ON FORMS  
23 PRESCRIBED AND FURNISHED BY THE DEPARTMENT, WHICH MAY BE INCORPORATED IN  
24 THE RETURN FORM PRESCRIBED PURSUANT TO THIS CHAPTER. A CLAIM FOR CREDIT IS  
25 NOT ALLOWED IF THE TAXPAYER FAILS TO PAY THE TAX DUE, PLUS ANY ESTIMATED  
26 TAX LIABILITY, BEFORE THE PAYMENT BECOMES DELINQUENT. THE DEPARTMENT  
27 SHALL RECAPTURE ANY CREDIT AMOUNTS CLAIMED BY THE TAXPAYER BUT DISALLOWED.

28 C. THE CREDITS UNDER THIS SECTION MAY NOT BE REMOVED FROM THE  
29 ALLOCATIONS PRESCRIBED IN SECTION 42-3106.

30 Sec. 2. Applicability

31 This act applies to taxable periods beginning on or after the first  
32 day of the month following the general effective date.