

REFERENCE TITLE: property tax exemption; virtual currency

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

SCR 1014

Introduced by
Senator Rogers

A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, SECTION 2, CONSTITUTION OF ARIZONA; RELATING TO PROPERTY TAX EXEMPTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved by the Senate of the State of Arizona, the House of
2 Representatives concurring:

3 1. Article IX, section 2, Constitution of Arizona, is proposed to
4 be amended as follows if approved by the voters and on proclamation of the
5 Governor:

6 2. Property subject to taxation; exemptions

7 Section 2. (1) There shall be exempt from taxation all
8 federal, state, county and municipal property.

9 (2) Property of educational, charitable and religious
10 associations or institutions not used or held for profit may
11 be exempt from taxation by law.

12 (3) Public debts, as evidenced by the bonds of
13 Arizona, ~~OR~~ its counties, municipalities or other
14 subdivisions, shall also be exempt from taxation.

15 (4) All household goods owned by the user thereof and
16 used solely for noncommercial purposes shall be exempt from
17 taxation, and such person entitled to such exemption shall not
18 be required to take any affirmative action to receive the
19 benefit of such exemption.

20 (5) Stocks of raw or finished materials, unassembled
21 parts, work in process or finished products constituting the
22 inventory of a retailer or wholesaler located within the state
23 and principally engaged in the resale of such materials, parts
24 or products, whether or not for resale to the ultimate
25 consumer, shall be exempt from taxation.

26 (6) The legislature may exempt personal property that
27 is used for agricultural purposes or in a trade or business
28 from taxation in a manner provided by law, except that the
29 exemption does not apply to any amount of the full cash value
30 of the personal property of a taxpayer that exceeds fifty
31 thousand dollars. The legislature may provide by law to
32 increase the exempt amount according to annual variations in a
33 designated national inflation index.

34 (7) VIRTUAL CURRENCY IS EXEMPT FROM TAXATION. FOR THE
35 PURPOSES OF THIS SUBSECTION, "VIRTUAL CURRENCY" MEANS A
36 DIGITAL REPRESENTATION OF VALUE, OTHER THAN A REPRESENTATION
37 OF THE UNITED STATES DOLLAR OR A FOREIGN CURRENCY, THAT
38 FUNCTIONS AS A UNIT OF ACCOUNT, A STORE OF VALUE OR A MEDIUM
39 OF EXCHANGE.

40 ~~(7)~~ (8) The legislature may exempt the property of
41 cemeteries that are set apart and used to inter deceased human
42 beings from taxation in a manner provided by law.

43 ~~(8)~~ (9) There shall be further exempt from taxation
44 the property of each honorably discharged airman, soldier,
45 sailor, United States marine, member of revenue marine

1 service, the coast guard, nurse corps or of any predecessor or
2 of the component of auxiliary of any thereof, resident of this
3 state, in the amount of:

4 (a) One thousand five hundred dollars if the total
5 assessment of such person does not exceed three thousand five
6 hundred dollars.

7 (b) One thousand dollars if the total assessment of
8 such person does not exceed four thousand dollars.

9 (c) Five hundred dollars if the total assessment of
10 such person does not exceed four thousand five hundred
11 dollars.

12 (d) Two hundred fifty dollars if the total assessment
13 of such person does not exceed five thousand dollars.

14 (e) No exemption if the total assessment of such person
15 exceeds five thousand dollars.

16 No such exemption shall be made for such person unless
17 such person shall have served at least sixty days in the
18 military or naval service of the United States during World
19 War I or prior wars and shall have been a resident of this
20 state prior to September 1, 1945.

21 ~~(9)~~ (10) There shall be further exempt from taxation
22 as herein provided the property of each honorably discharged
23 airman, soldier, sailor, United States marine, member of
24 revenue marine service, the coast guard, nurse corps or of any
25 predecessor or of the component of auxiliary of any thereof,
26 resident of this state, where such person has a
27 service-connected disability as determined by the United
28 States veterans administration or its successor. No such
29 exemption shall be made for such person unless he shall have
30 been a resident of this state prior to September 1, 1945 or
31 unless such person shall have been a resident of this state
32 for at least four years prior to his original entry into
33 service as an airman, soldier, sailor, United States marine,
34 member of revenue marine service, the coast guard, nurse corps
35 or of any predecessor or of the component of auxiliary of any
36 thereof. The property of such person having a compensable
37 service-connected disability exempt from taxation as herein
38 provided shall be determined as follows:

39 (a) If such person's service-connected disability as
40 determined by the United States veterans administration or its
41 successor is sixty ~~per cent~~ PERCENT or less, the property of
42 such person exempt from taxation shall be determined by such
43 person's percentage of disability multiplied by the assessment
44 of such person in the amount of:

1 (i) One thousand five hundred dollars if the total
2 assessment of such person does not exceed three thousand five
3 hundred dollars.

4 (ii) One thousand dollars if the total assessment of
5 such person does not exceed four thousand dollars.

6 (iii) Five hundred dollars if the total assessment of
7 such person does not exceed four thousand five hundred
8 dollars.

9 (iv) Two hundred fifty dollars if the total assessment
10 of such person does not exceed five thousand dollars.

11 (v) No exemption if the total assessment of such person
12 exceeds five thousand dollars.

13 (b) If such person's service-connected disability as
14 determined by the United States veterans administration or its
15 successor is more than sixty ~~per cent~~ PERCENT, the property of
16 such person exempt from taxation shall be in the amount of:

17 (i) One thousand five hundred dollars if the total
18 assessment of such person does not exceed three thousand five
19 hundred dollars.

20 (ii) One thousand dollars if the total assessment of
21 such person does not exceed four thousand dollars.

22 (iii) Five hundred dollars if the total assessment of
23 such person does not exceed four thousand five hundred
24 dollars.

25 (iv) Two hundred fifty dollars if the total assessment
26 of such person does not exceed five thousand dollars.

27 (v) No exemption if the total assessment of such person
28 exceeds five thousand dollars.

29 ~~(10)~~ (11) There shall be further exempt from taxation
30 the property of each honorably discharged airman, soldier,
31 sailor, United States marine, member of revenue marine
32 service, the coast guard, nurse corps or of any predecessor or
33 of the component of auxiliary of any thereof, resident of this
34 state, where such person has a nonservice-connected total and
35 permanent disability, physical or mental, as so certified by
36 the United States veterans administration, or its successor,
37 or such other certification as provided by law, in the amount
38 of:

39 (a) One thousand five hundred dollars if the total
40 assessment of such person does not exceed three thousand five
41 hundred dollars.

42 (b) One thousand dollars if the total assessment of
43 such person does not exceed four thousand dollars.

1 (c) Five hundred dollars if the total assessment of
2 such person does not exceed four thousand five hundred
3 dollars.

4 (d) Two hundred fifty dollars if the total assessment
5 of such person does not exceed five thousand dollars.

6 (e) No exemption if the total assessment of such person
7 exceeds five thousand dollars.

8 No such exemption shall be made for such person unless
9 he shall have served at least sixty days in the military or
10 naval service of the United States during time of war after
11 World War I and shall have been a resident of this state prior
12 to September 1, 1945.

13 ~~(11)~~ (12) There shall be further exempt from taxation
14 the property of each widow, resident of this state, in the
15 amount of:

16 (a) One thousand five hundred dollars if the total
17 assessment of such widow does not exceed three thousand five
18 hundred dollars.

19 (b) One thousand dollars if the total assessment of
20 such widow does not exceed four thousand dollars.

21 (c) Five hundred dollars if the total assessment of
22 such widow does not exceed four thousand five hundred dollars.

23 (d) Two hundred fifty dollars if the total assessment
24 of such widow does not exceed five thousand dollars.

25 (e) No exemption if the total assessment of such widow
26 exceeds five thousand dollars.

27 In order to qualify for this exemption, the income from
28 all sources of such widow, together with the income from all
29 sources of all children of such widow residing with the widow
30 in her residence in the year immediately preceding the year
31 for which such widow applies for this exemption, shall not
32 exceed:

33 1. Seven thousand dollars if none of the widow's
34 children under the age of eighteen years resided with her in
35 such widow's residence; or

36 2. Ten thousand dollars if one or more of the widow's
37 children residing with her in such widow's residence was under
38 the age of eighteen years, or ~~was totally~~ HAD A TOTAL and
39 ~~permanently disabled, physically or mentally~~ PERMANENT
40 PHYSICAL OR MENTAL DISABILITY, as certified by competent
41 medical authority as provided by law.

42 Such widow shall have resided with her last spouse in
43 this state at the time of the spouse's death if she was not a
44 widow and a resident of this state prior to January 1, 1969.

1 ~~(12)~~ (13) No property shall be exempt ~~which~~ THAT has
2 been conveyed to evade taxation. The total exemption from
3 taxation granted to the property owned by a person who
4 qualifies for any exemption in accordance with the terms of
5 subsections ~~(8)~~, (9), (10), ~~or~~ (11) OR (12) shall not exceed
6 one thousand five hundred dollars. The provisions of this
7 section shall be self-executing.

8 ~~(13)~~ (14) All property in ~~the~~ THIS state not exempt
9 under the laws of the United States or under this constitution
10 or exempt by law under the provisions of this section shall be
11 subject to taxation to be ascertained as provided by law.

12 2. The Secretary of State shall submit this proposition to the
13 voters at the next general election as provided by article XXI,
14 Constitution of Arizona.