



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

Senate: FIN DPA 8-2-0-0 | 3rd Read 18-10-2-0

SB 1372: TPT; exemptions; motor vehicles; nonresidents

Sponsor: Senator Pace, LD 25

Committee on Ways & Means

Overview

Exempts the gross proceeds of sales or gross income derived from the sale of vehicles, trailers or semitrailers to a nonresident for use outside of the state from Transaction Privilege Tax (TPT) and municipal tax. Outlines the qualifications for an eligible vehicle, trailer or semitrailer.

History

The TPT retail classification is comprised of the business of selling tangible personal property at retail. The tax base for the retail classification is the gross proceeds of sales or gross income derived from these businesses. Currently, no specific exemption exists for state levied TPT on the gross proceeds of sales of vehicles, trailers or semitrailers sold to nonresidents for use outside of Arizona ([A.R.S. § 42-5061](#)).

A municipality may levy TPT on the gross proceeds of sales or gross income deriving from the sale of a motor vehicle to a nonresident of the state if:

- 1) Their state of residence does not allow a use tax exemption; and
- 2) They have secured a special ninety-day nonresident registration permit.

Municipalities may not levy this TPT if the nonresident takes possession of the vehicle outside of the state ([A.R.S. § 42-6017](#)).

Provisions

1. Exempts from TPT the gross proceeds of sales or gross income derived from the sale of a vehicle, trailer or semitrailer to a nonresident for use outside of the state, so long as the vehicle, trailer or semitrailer:
 - a) Has a gross weight of over 10,000 pounds;
 - b) Is used or maintained to transport property in the furtherance of interstate commerce; and
 - c) Meets statute's definition of a commercial motor vehicle. (Sec. 2, 3)
2. Exempts from municipal tax the sale of a vehicle, trailer or semitrailer to nonresidents for use outside of the state, so long as the vehicle, trailer or semitrailer:
 - a) Has a gross weight of over 10,000 pounds;
 - b) Is used or maintained to transport property in the furtherance of interstate commerce; and
 - c) Meets the statutory definition of a commercial motor vehicle. (Sec. 4, 5)
3. Applies to taxable periods beginning on or after the first day of the month following the general effective date. (Sec. 6)
4. Contains a conditional enactment clause. (Sec. 7)
5. Makes technical and conforming changes (Sec. 1, 2, 3, 4, 5)

☐ Prop 105 (45 votes)

☐ Prop 108 (40 votes)

☐ Emergency (40 votes)

☒ [Fiscal Note](#)