

House Engrossed

property tax; exemption; disability; veterans

State of Arizona
House of Representatives
Fifty-fifth Legislature
Second Regular Session
2022

HOUSE CONCURRENT RESOLUTION 2027

A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, SECTION 2, CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, CONSTITUTION OF ARIZONA, BY ADDING SECTION 2.4; RELATING TO PROPERTY TAX EXEMPTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved by the House of Representatives of the State of Arizona,
2 the Senate 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~~ 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~~ THIS
23 state and principally engaged in the resale of such materials,
24 parts 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~~ \$50,000. The legislature may provide by law
32 to increase the exempt amount according to annual variations
33 in a designated national inflation index.

34 (7) The legislature may exempt the property of
35 cemeteries that are set apart and used to inter deceased human
36 beings from taxation in a manner provided by law.

37 ~~(8) There shall be further exempt from taxation the~~
38 ~~property of each honorably discharged airman, soldier, sailor,~~
39 ~~United States marine, member of revenue marine service, the~~
40 ~~coast guard, nurse corps or of any predecessor or of the~~
41 ~~component of auxiliary of any thereof, resident of this state,~~
42 ~~in the amount of:~~

43 ~~(a) One thousand five hundred dollars if the total~~
44 ~~assessment of such person does not exceed three thousand five~~
45 ~~hundred dollars.~~

1 ~~(b) One thousand dollars if the total assessment of~~
2 ~~such person does not exceed four thousand dollars.~~

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

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

8 ~~(e) No exemption if the total assessment of such person~~
9 ~~exceeds five thousand dollars.~~

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

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

33 ~~(a) If such person's service-connected disability as~~
34 ~~determined by the United States veterans administration or its~~
35 ~~successor is sixty per cent or less, the property of such~~
36 ~~person exempt from taxation shall be determined by such~~
37 ~~person's percentage of disability multiplied by the assessment~~
38 ~~of such person in the amount of:~~

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

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

44 ~~(iii) Five hundred dollars if the total assessment of~~
45 ~~such person does not exceed four thousand five hundred~~
46 ~~dollars.~~

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

3 ~~(v) No exemption if the total assessment of such person~~
4 ~~exceeds five thousand dollars.~~

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

9 ~~(i) One thousand five hundred dollars if the total~~
10 ~~assessment of such person does not exceed three thousand five~~
11 ~~hundred dollars.~~

12 ~~(ii) One thousand dollars if the total assessment of~~
13 ~~such person does not exceed four thousand dollars.~~

14 ~~(iii) Five hundred dollars if the total assessment of~~
15 ~~such person does not exceed four thousand five hundred~~
16 ~~dollars.~~

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

19 ~~(v) No exemption if the total assessment of such person~~
20 ~~exceeds five thousand dollars.~~

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

31 ~~(a) One thousand five hundred dollars if the total~~
32 ~~assessment of such person does not exceed three thousand five~~
33 ~~hundred dollars.~~

34 ~~(b) One thousand dollars if the total assessment of~~
35 ~~such person does not exceed four thousand dollars.~~

36 ~~(c) Five hundred dollars if the total assessment of~~
37 ~~such person does not exceed four thousand five hundred~~
38 ~~dollars.~~

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

41 ~~(e) No exemption if the total assessment of such person~~
42 ~~exceeds five thousand dollars.~~

43 ~~No such exemption shall be made for such person unless~~
44 ~~he shall have served at least sixty days in the military or~~
45 ~~naval service of the United States during time of war after~~

1 ~~World War I and shall have been a resident of this state prior~~
2 ~~to September 1, 1945.~~

3 ~~(11)~~ (8) There shall be further exempt from taxation
4 the property of each widow, resident of this state, in the
5 amount of:

6 (a) ~~One thousand five hundred dollars~~ \$1,500 if the
7 total assessment of such widow does not exceed ~~three thousand~~
8 ~~five hundred dollars~~ \$3,500.

9 (b) ~~One thousand dollars~~ \$1,000 if the total assessment
10 of such widow does not exceed ~~four thousand dollars~~ \$4,000.

11 (c) ~~Five hundred dollars~~ \$500 if the total assessment
12 of such widow does not exceed ~~four thousand five hundred~~
13 ~~dollars~~ \$4,500.

14 (d) ~~Two hundred fifty dollars~~ \$250 if the total
15 assessment of such widow does not exceed ~~five thousand dollars~~
16 \$5,000.

17 (e) No exemption if the total assessment of such widow
18 exceeds ~~five thousand dollars~~ \$5,000.

19 In order to qualify for this exemption, the income from
20 all sources of such widow, together with the income from all
21 sources of all children of such widow residing with the widow
22 in her residence in the year immediately preceding the year
23 for which such widow applies for this exemption, shall not
24 exceed:

25 1. ~~Seven thousand dollars~~ \$7,000 if none of the widow's
26 children under the age of eighteen years resided with her in
27 such widow's residence; or

28 2. ~~Ten thousand dollars~~ \$10,000 if one or more of the
29 widow's children residing with her in such widow's residence
30 was under the age of eighteen years, ~~or was totally~~ HAD A
31 TOTAL and ~~permanently disabled, physically or mentally~~
32 PERMANENT PHYSICAL OR MENTAL DISABILITY, as certified by
33 competent medical authority as provided by law.

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

37 ~~(12)~~ (9) No property shall be exempt which has been
38 conveyed to evade taxation. The total exemption from taxation
39 granted to the property owned by a person who qualifies for
40 any exemption in accordance with the terms of ~~subsections~~
41 SUBSECTION (8), ~~(9), (10) or (11)~~ OF THIS SECTION shall not
42 exceed ~~one thousand five hundred dollars~~ \$1,500. The
43 provisions of this section shall be self-executing.

44 ~~(13)~~ (10) All property in ~~the~~ THIS state not exempt
45 under the laws of the United States or under this constitution

1 or exempt by law under the provisions of this section shall be
2 subject to taxation to be ascertained as provided by law.

3 2. Article IX, Constitution of Arizona, is proposed to be amended
4 by adding section 2.4 as follows if approved by the voters and on
5 proclamation of the Governor:

6 2.4. Exemption from taxation; property of veterans with
7 a disability; definition

8 SECTION 2.4. A. THE PRIMARY RESIDENCE HOMESTEAD THAT
9 IS OWNED BY A VETERAN WHO RECEIVES ONE HUNDRED PERCENT
10 DISABILITY COMPENSATION FROM THE UNITED STATES DEPARTMENT OF
11 VETERANS AFFAIRS FOR A SERVICE-CONNECTED DISABILITY OR
12 DISABILITIES AND WHO IS A RESIDENT OF THIS STATE IS EXEMPT
13 FROM TAXATION.

14 B. PROPERTY IS NOT EXEMPT UNDER THIS SECTION IF THE
15 PROPERTY WAS CONVEYED TO A VETERAN WITH A DISABILITY TO EVADE
16 TAXATION.

17 C. THE EXEMPTION GRANTED PURSUANT TO THIS SECTION IS
18 NOT SUBJECT TO ANY INCOME LIMITS.

19 D. FOR THE PURPOSES OF THIS SECTION, "VETERAN" MEANS AN
20 INDIVIDUAL WHO HAS SERVED IN, AND BEEN DISCHARGED, SEPARATED
21 OR RELEASED UNDER HONORABLE CONDITIONS FROM, ACTIVE OR
22 INACTIVE SERVICE IN THE UNIFORMED SERVICES OF THE UNITED
23 STATES, INCLUDING:

24 1. ALL REGULAR, RESERVE AND NATIONAL GUARD COMPONENTS
25 OF THE UNITED STATES ARMY, NAVY, AIR FORCE, MARINE CORPS,
26 COAST GUARD AND SPACE FORCE.

27 2. THE COMMISSIONED CORPS OF THE NATIONAL OCEANIC AND
28 ATMOSPHERIC ADMINISTRATION.

29 3. THE COMMISSIONED CORPS OF THE UNITED STATES PUBLIC
30 HEALTH SERVICE.

31 4. A NURSE IN THE SERVICE OF THE AMERICAN RED CROSS OR
32 IN THE ARMY AND NAVY NURSE CORPS.

33 5. ANY OTHER CIVILIAN SERVICE THAT IS AUTHORIZED BY
34 FEDERAL LAW TO BE CONSIDERED ACTIVE MILITARY DUTY FOR THE
35 PURPOSE OF LAWS ADMINISTERED BY THE UNITED STATES SECRETARY OF
36 VETERANS AFFAIRS.

37 3. Applicability

38 This act applies to tax years beginning from and after December 31,
39 2022.

40 4. The Secretary of State shall submit this proposition to the
41 voters at the next general election as provided by article XXI,
42 Constitution of Arizona.