

Senate Engrossed House Bill

personal property; additional depreciation

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

CHAPTER 103

HOUSE BILL 2822

AN ACT

AMENDING SECTION 42-13054, ARIZONA REVISED STATUTES; RELATING TO VALUATION
OF LOCALLY ASSESSED PROPERTY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-13054, Arizona Revised Statutes, is amended
3 to read:

4 42-13054. Taxable value of personal property; depreciated
5 values of personal property in class one, class
6 two (P) and class six

7 A. The taxable value of personal property that is valued by the
8 county assessor is the result of acquisition cost less any appropriate
9 depreciation as prescribed by tables adopted by the department. The
10 taxable value shall not exceed the market value.

11 B. Except as provided in subsection C of this section and
12 notwithstanding any other statute, the assessor shall adjust the
13 depreciation schedules prescribed by the department as follows to
14 determine the valuation of personal property:

15 1. For personal property that is initially classified during tax
16 year 1994 through tax year 2007 as class one, paragraph 8, 9, 10 or 13
17 pursuant to section 42-12001 and personal property that is initially
18 classified during tax year 1995 through tax year 2007 as class two (P)
19 pursuant to section 42-12002:

20 (a) For the first tax year of assessment, the assessor shall use
21 thirty-five percent of the scheduled depreciated value.

22 (b) For the second tax year of assessment, the assessor shall use
23 fifty-one percent of the scheduled depreciated value.

24 (c) For the third tax year of assessment, the assessor shall use
25 sixty-seven percent of the scheduled depreciated value.

26 (d) For the fourth tax year of assessment, the assessor shall use
27 eighty-three percent of the scheduled depreciated value.

28 (e) For the fifth and subsequent tax years of assessment, the
29 assessor shall use the scheduled depreciated value as prescribed in the
30 department's guidelines.

31 2. For personal property that is initially classified during tax
32 year 2008 through tax year 2011 as class one, paragraph 8, 9, 10 or 13
33 pursuant to section 42-12001 and personal property that is initially
34 classified during tax year 2008 through tax year 2011 as class two (P)
35 pursuant to section 42-12002:

36 (a) For the first tax year of assessment, the assessor shall use
37 thirty percent of the scheduled depreciated value.

38 (b) For the second tax year of assessment, the assessor shall use
39 forty-six percent of the scheduled depreciated value.

40 (c) For the third tax year of assessment, the assessor shall use
41 sixty-two percent of the scheduled depreciated value.

42 (d) For the fourth tax year of assessment, the assessor shall use
43 seventy-eight percent of the scheduled depreciated value.

44 (e) For the fifth tax year of assessment, the assessor shall use
45 ninety-four percent of the scheduled depreciated value.

1 (f) For the sixth and subsequent tax years of assessment, the
2 assessor shall use the scheduled depreciated value as prescribed in the
3 department's guidelines.

4 3. For personal property that is initially classified during ~~or~~
5 ~~after~~ tax year 2012 THROUGH TAX YEAR 2021 as class one, paragraph 8, 9, 10
6 or 13 pursuant to section 42-12001 personal property that is initially
7 classified during ~~or after~~ tax year 2012 THROUGH TAX YEAR 2021 as class
8 two (P) pursuant to section 42-12002 and personal property that is
9 acquired during ~~or after~~ tax year 2017 THROUGH TAX YEAR 2021 and initially
10 classified during ~~or after~~ tax year 2018 THROUGH TAX YEAR 2021 as class
11 six pursuant to section 42-12006, paragraph 2 or 3:

12 (a) For the first tax year of assessment, the assessor shall use
13 twenty-five percent of the scheduled depreciated value.

14 (b) For the second tax year of assessment, the assessor shall use
15 forty-one percent of the scheduled depreciated value.

16 (c) For the third tax year of assessment, the assessor shall use
17 fifty-seven percent of the scheduled depreciated value.

18 (d) For the fourth tax year of assessment, the assessor shall use
19 seventy-three percent of the scheduled depreciated value.

20 (e) For the fifth tax year of assessment, the assessor shall use
21 eighty-nine percent of the scheduled depreciated value.

22 (f) For the sixth and subsequent tax years of assessment, the
23 assessor shall use the scheduled depreciated value as prescribed in the
24 department's guidelines.

25 4. FOR PERSONAL PROPERTY THAT IS INITIALLY CLASSIFIED DURING OR
26 AFTER TAX YEAR 2022 AS CLASS ONE, PARAGRAPH 8, 9, 10 OR 13 PURSUANT TO
27 SECTION 42-12001 PERSONAL PROPERTY THAT IS INITIALLY CLASSIFIED DURING OR
28 AFTER TAX YEAR 2022 AS CLASS TWO (P) PURSUANT TO SECTION 42-12002 AND
29 PERSONAL PROPERTY THAT IS ACQUIRED DURING OR AFTER TAX YEAR 2022 AND
30 INITIALLY CLASSIFIED DURING OR AFTER TAX YEAR 2022 AS CLASS SIX PURSUANT
31 TO SECTION 42-12006, PARAGRAPH 2 OR 3, THE ASSESSOR SHALL USE A VALUATION
32 FACTOR OF TWO AND ONE-HALF PERCENT.

33 C. The additional depreciation prescribed in subsection B of this
34 section:

35 1. Does not apply to any property valued by the department.

36 2. Shall not reduce the valuation below the minimum value
37 prescribed by the department for property in use.

APPROVED BY THE GOVERNOR MARCH 30, 2022.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 30, 2022.