

House Engrossed

TPT; municipalities; audits; guidelines

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

CHAPTER 33
HOUSE BILL 2380

AN ACT

AMENDING SECTIONS 42-6001 AND 42-6005, ARIZONA REVISED STATUTES; RELATING
TO THE ADMINISTRATION OF LOCAL EXCISE TAXES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-6001, Arizona Revised Statutes, is amended to
3 read:

4 42-6001. Collection and administration of transaction
5 privilege tax and affiliated excise taxes;
6 intergovernmental contract or agreement; method of
7 payment

8 A. The department shall collect and administer any transaction
9 privilege and affiliated excise taxes, including use tax, severance tax,
10 jet fuel excise and use tax, and rental occupancy tax, imposed by any city
11 or town. The department and each city or town shall enter into ~~a~~ AN
12 intergovernmental contract or agreement to provide a uniform method of
13 administration, collection, audit and licensing of transaction privilege
14 and affiliated excise taxes imposed by the state or cities or towns
15 pursuant to title 11, chapter 7, article 3. THE DEPARTMENT MAY DENY A
16 REQUEST BY A CITY OR TOWN TO AUDIT A TAXPAYER THAT IS ENGAGED IN BUSINESS
17 IN MORE THAN ONE CITY OR TOWN. The contract or agreement shall include
18 criteria for WHICH THE DEPARTMENT CAN MAKE the denial ~~of a request from a~~
19 ~~city or town for an audit of a taxpayer that is engaged in business in~~
20 ~~more than one city or town.~~ IF THE DEPARTMENT DENIES AN AUDIT REQUEST
21 FROM A CITY OR TOWN, THE CITY OR TOWN MAY NOT AUDIT A TAXPAYER THAT IS
22 ENGAGED IN BUSINESS IN MORE THAN ONE CITY OR TOWN.

23 B. A taxpayer that does not report and pay the required tax to a
24 city or town electronically shall file and pay the tax to the department
25 of revenue if the department has developed the electronic and
26 nonelectronic tools necessary to capture data with sufficient specificity
27 to meet the needs of all taxing jurisdictions, including specific data
28 regarding each tax classification and any corresponding deductions at each
29 business location of the taxpayer.

30 Sec. 2. Section 42-6005, Arizona Revised Statutes, is amended to
31 read:

32 42-6005. Unified audit committee; audits

33 A. The director shall establish a unified audit committee with
34 cities and towns. The committee shall:

- 35 1. ESTABLISH AND PUBLISH UNIFORM AUDIT GUIDELINES.
- 36 2. Coordinate uniform audit functions.

37 B. ~~When~~ IF the state statutes and model city tax code are the same
38 and ~~where~~ the department has issued written guidance, the department's
39 interpretation is binding on cities and towns.

APPROVED BY THE GOVERNOR MARCH 29, 2024.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 29, 2024.