



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature  
First Regular Session

Senate: FIN DP 7-0-0-0 | 3rd Read 28-0-2-0

House: 3rd Read 56-0-4-0

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## SB1171: conformity; internal revenue code (Substituted for [HB 2383](#))

Sponsor: Senator Mesnard, LD 13

Transmitted to the Governor

### Overview

Conforms Arizona tax statutes to the Internal Revenue Code (IRC) as amended and in effect as of January 1, 2023, to reflect changes adopted by the U.S. Congress, including those provisions that became effective during 2022 with the specific adoption of all retroactive dates.

### History

Current law conforms Arizona's income tax calculation to the IRC of 1986, as amended, in effect on March 11, 2021, along with all federal retroactive dates, but excluding any change to the IRC enacted after March 11, 2021. ([A.R.S. § 43-105](#))

Generally, each year changes are made to the IRC that affect the Arizona income tax calculation. Tax conformity with the IRC is deemed necessary because the calculation of Arizona corporate income tax begins with federal taxable income and the federal adjusted gross income is the starting point for individual income tax.

### Provisions

1. Amends the definition of *internal revenue code*. (Sec. 1)
2. Conforms Arizona's income tax calculation for taxable years beginning January 1, 2023 to the IRC of 1986, as amended, in effect on January 1, 2023, including those provisions that became effective during 2022 with the specific adoption of all retroactive effective dates including the provisions of the CHIPS and Science Act of 2022 (P.L. 117-167), the Inflation Reduction Act of 2022 (P.L. 117-169) and the Consolidated Appropriations Act, 2023 (P.L. 117-328) that are retroactively effective during Tax Year 2022. (Sec. 2)
3. Makes technical and conforming changes. (Sec. 1, 2)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input checked="" type="checkbox"/> <a href="#">Fiscal Note</a>
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