

REFERENCE TITLE: county excise tax; rate reduction

State of Arizona
Senate
Fifty-sixth Legislature
First Regular Session
2023

SB 1416

Introduced by
Senator Wadsack

AN ACT

AMENDING SECTION 42-6106, ARIZONA REVISED STATUTES; RELATING TO COUNTY
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 42-6106, Arizona Revised Statutes, is amended to
3 read:

4 42-6106. County transportation excise tax

5 A. If approved by the qualified electors voting at a countywide
6 election, the regional transportation authority in any county shall levy
7 and the department shall collect a transportation excise tax up to the
8 rate authorized by this section in addition to all other taxes.

9 B. The tax shall be levied and collected:

10 1. At a rate that, by itself or together with any tax imposed
11 pursuant to section 42-6107, is not more than twenty percent of the
12 transaction privilege tax rate prescribed by section 42-5010, subsection A
13 in effect on January 1, 1990 to each person engaging or continuing in the
14 county in a business taxed under chapter 5, article 1 of this title.

15 2. At a rate that, by itself or together with any tax imposed
16 pursuant to section 42-6107, is not more than twenty percent of the rate
17 prescribed by section 42-5352, subsection A.

18 3. On the use or consumption of electricity or natural gas by
19 retail electric or natural gas customers in the county who are subject to
20 use tax under section 42-5155, at a rate equal to the transaction
21 privilege tax rate under paragraph 1 of this subsection applying to
22 persons engaging or continuing in the county in the utilities transaction
23 privilege tax classification.

24 C. Any subsequent reduction in the transaction privilege tax rate
25 prescribed by chapter 5, article 1 of this title shall not reduce the tax
26 that is approved and collected as prescribed in this section. The
27 department shall collect the tax at a variable rate if the variable rate
28 is specified in the ballot proposition. The department shall collect the
29 tax at a modified rate if approved by a majority of the qualified electors
30 voting.

31 D. The net revenues collected under this section:

32 1. In counties with a population exceeding four hundred thousand
33 persons, shall be deposited in the regional transportation fund pursuant
34 to section 48-5307.

35 2. In counties with a population of four hundred thousand or fewer
36 persons, shall be deposited in the public transportation authority fund
37 pursuant to section 28-9142 or the regional transportation fund pursuant
38 to section 48-5307 or shall be allocated between both funds.

39 E. The tax shall be levied under this section beginning January 1
40 or July 1, whichever date occurs first after approval by the voters, and
41 may be in effect for a period of not more than twenty years.

42 F. A COUNTY IN WHICH A REGIONAL TRANSPORTATION AUTHORITY IMPROPERLY
43 LEVIED A COUNTY TRANSPORTATION EXCISE TAX PURSUANT TO THIS SECTION SHALL
44 REDUCE THE COUNTY'S GENERAL EXCISE TAX RATE AUTHORIZED PURSUANT TO SECTION
45 42-6103 BY AN AMOUNT EQUAL TO THE RATE OF THE COUNTY TRANSPORTATION EXCISE

1 TAX FOR THE RATE REDUCTION PERIOD. FOR THE PURPOSES OF THIS SUBSECTION,
2 "RATE REDUCTION PERIOD" MEANS THE PERIOD OF TIME NECESSARY TO EXHAUST THE
3 NET REVENUES IMPROPERLY COLLECTED MINUS THE AMOUNT REFUNDED PURSUANT TO
4 SECTION 42-1118 DURING THE FIRST YEAR OF THE REFUND PERIOD.

5 Sec. 2. Applicability

6 This act applies to taxable periods beginning on or after the first
7 day of the month following the general effective date.