Fifty-sixth Legislature
First Regular Session

Transportation & Infrastructure
H.B. 2447

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2447

(Reference to printed bill)

Page 2, line 23, strike ", IF"

Strike lines 24 and 25

Line 26, strike "SUBSIDIARIES,"

Strike line 31

Line 32, strike "THE MANUFACTURER OR ONE OF ITS AFFILIATES OR SUBSIDIARIES" insert "MOTOR VEHICLE DEALER"

Page 4, line 14, after "A" strike remainder of line

Strike line 15, insert "MOTOR VEHICLE DEALER"

Line 20, after "A" strike remainder of line

Strike line 21, insert "MOTOR VEHICLE DEALER"

Line 31, after "THE" strike remainder of line

Strike line 32

Line 33, strike "SUBSIDIARIES" insert "MOTOR VEHICLE DEALER"

Page 5, line 1, after "C." strike remainder of line

Strike line 2, insert "A MOTOR VEHICLE DEALER"

Line 9, after "A" strike remainder of line

Strike line 10, insert "MOTOR VEHICLE DEALER"

Line 13, after "THE" strike remainder of line

Strike line 14

Line 15, strike "ITS AFFILIATES OR SUBSIDIARIES" insert "MOTOR VEHICLE DEALER"

Line 19, after "THE" strike remainder of line

Strike line 20, insert "MOTOR VEHICLE DEALER"

Line 23, after "A" strike remainder of line

Page 5, strike line 24, insert "MOTOR VEHICLE DEALER"

Lines 30 and 35, after "THE" insert "MOTOR VEHICLE"

Line 39, after "A" strike remainder of line

Strike line 40, insert "MOTOR VEHICLE DEALER"

Line 43, after the second "A" insert "MOTOR VEHICLE"

Page 6, line 2, after "THE" strike remainder of line

Strike line 3

Line 4, strike "ITS AFFILIATES OR SUBSIDIARIES" insert "MOTOR VEHICLE DEALER"

Page 7, line 10, after "dealer" strike remainder of line

Strike line 11

Line 12, strike "OR SUBSIDIARIES"

Line 19, after "A" strike remainder of line

Strike line 20

Line 21, strike "ONE OF ITS AFFILIATES OR SUBSIDIARIES" insert "MOTOR VEHICLE DEALER"

Line 23, strike "SECTION" insert "SECTIONS"; after "28-2154" insert "AND 28-2154.02"

Page 25, strike lines 13 through 45

Strike pages 26 through 31

Page 32, strike lines 1 through 32, insert:

"Sec. 5. Section 42-6017, Arizona Revised Statutes, is amended to read:

42-6017. Municipal taxation of businesses selling tangible personal property at retail; state preemption; exceptions; definitions

A. Except as provided in this section, section 42-5061 supersedes all city or town ordinances or other local laws insofar as the ordinances or local laws now or hereafter relate to the taxation of business activities classified under section 42-5061.

B. The municipal tax rate for businesses selling tangible personal property at retail for marketplace facilitators is the municipal tax rate that is in effect in the city or town for businesses selling tangible personal property at retail on September 30, 2019, until the city or town changes the tax rate.

C. A city or town may:

1. Notwithstanding section 42-5061, subsection A, paragraph 15, levy a transaction privilege tax on the gross proceeds of sales or gross income derived from the business of selling food at retail by the persons described in section 42-5102, subsection A, subject to the conditions of sections 42-5074, 42-5101 and 42-6015.

2. Notwithstanding section 42-5061, subsection A, paragraph 17, levy a transaction privilege tax on the gross proceeds of sales or gross income derived from a bookstore selling textbooks that are required by any state university or community college.

3. Notwithstanding section 42-5061, subsection A, paragraph 33, paragraph 42, subdivision (b) and paragraph 43 and subsection B, paragraph 5, continue to levy an existing transaction privilege tax that was levied on or before May 1, 2019 on the gross proceeds of sales or gross income derived from the sales of:

(a) Propagative materials to persons who use those items to commercially produce agricultural, horticultural, viticultural or floricultural crops in this state. This subdivision does not apply and a city or town may not continue to levy a transaction privilege tax pursuant to this subdivision as follows:

(i) For a city or town with a population of fifty thousand persons or less, from and after June 30, 2021.

(ii) For a city or town with a population of more than fifty thousand persons, from and after December 31, 2019.

(b) Livestock and poultry feed, salts, vitamins and other additives for livestock or poultry consumption that are sold to persons for use or consumption by their own livestock or poultry, for use or consumption in the businesses of farming, ranching and producing or feeding livestock, poultry, or livestock or poultry products or for use or consumption in noncommercial boarding of livestock.

(c) Implants used as growth promotants and injectable medicines, not already exempt under section 42-5061, subsection A, paragraph 8, for livestock or poultry owned by or in possession of persons who are engaged in producing livestock, poultry, or livestock or poultry products or who are engaged in feeding livestock or poultry commercially. This subdivision does not apply and a city or town may not continue to levy a transaction privilege tax pursuant to this subdivision as follows:

(i) For a city or town with a population of fifty thousand persons or less, from and after June 30, 2021.

(ii) For a city or town with a population of more than fifty thousand persons, from and after December 31, 2019.

(d) Neat animals, horses, asses, sheep, ratites, swine or goats used or to be used as breeding or production stock, including sales of breedings or ownership shares in such animals used for breeding or production. This subdivision does not apply and a city or town may not continue to levy a transaction privilege tax pursuant to this subdivision as follows:

(i) For a city or town with a population of fifty thousand persons or less, from and after June 30, 2021.

(ii) For a city or town with a population of more than fifty thousand persons, from and after December 31, 2019.

4. Levy a transaction privilege tax on the gross proceeds of sales or gross income derived from the sale of nonmetalliferous mined materials at retail.

5. Notwithstanding section 42-5061, subsection A, paragraph 59, levy a transaction privilege tax on the gross proceeds of sales or gross income derived from the sale of works of fine art, as defined in section 44-1771, at an art auction or gallery in this state to nonresidents of this state for use outside this state if the vendor ships or delivers the work of fine art to a destination outside this state.

6. Notwithstanding section 42-5061, subsection A, paragraph 28 or section 42-5122, levy a transaction privilege tax on the gross proceeds of sales or gross income derived from the sale of a motor vehicle to:

(a) A nonresident of this state if the purchaser's state of residence does not allow a corresponding use tax exemption to the tax imposed by chapter 5, article 1 of this title and if the nonresident has secured a special ninety day nonresident registration permit for the vehicle as prescribed by sections 28-2154 and 28-2154.01. This subdivision does not apply if the purchaser takes possession of the vehicle outside of this state.

(b) An enrolled member of an Indian tribe who resides on the Indian reservation established for that tribe, except if possession of the vehicle is received on the enrolled member's Indian reservation.

7. Exempt from transaction privilege, sales, use or other similar tax the sale of paintings, sculptures or similar works of fine art, if such works of fine art are sold by the original artist. For the purposes of this paragraph, fine art does not include an art creation such as jewelry, macramé, glasswork, pottery, woodwork, metalwork, furniture or clothing if the art creation has a dual purpose, both aesthetic and utilitarian, whether sold by the artist or by another person.

8. NOTWITHSTANDING SECTION 42-5061, SUBSECTION A, PARAGRAPH 14, SUBDIVISION (c), LEVY A TRANSACTION PRIVILEGE TAX ON THE GROSS PROCEEDS OF SALES OR GROSS INCOME DERIVED FROM THE SALE OF A MOTOR VEHICLE TO A NONRESIDENT OF THIS STATE IF THE NONRESIDENT HAS OBTAINED A SPECIAL TEN DAY NONRESIDENT REGISTRATION PERMIT FOR THE VEHICLE AS PRESCRIBED BY SECTIONS 28-2154 AND 28-2154.02. THIS PARAGRAPH DOES NOT APPLY IF THE PURCHASER TAKES POSSESSION OF THE VEHICLE OUTSIDE OF THIS STATE.

D. For the purposes of this section:

1. "Food" has the same meaning prescribed by rule adopted by the department pursuant to section 42-5106.

2. "Marketplace facilitator" has the same meaning prescribed in section 42-5001.

3. "Poultry" includes ratites.

4. "Propagative materials":

(a) Includes seeds, seedlings, roots, bulbs, liners, transplants, cuttings, soil and plant additives, agricultural minerals, auxiliary soil and plant substances, micronutrients, fertilizers, insecticides, herbicides, fungicides, soil fumigants, desiccants, rodenticides, adjuvants, plant nutrients and plant growth regulators.

(b) Except for use in commercially producing industrial hemp as defined in section 3-311, does not include any propagative materials used in producing any part, including seeds, of any plant of the genus cannabis.

5. "Remote seller" has the same meaning prescribed in section 42-5001."

Amend title to conform

DAVID L. COOK

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