



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-seventh Legislature
First Regular Session

House: WM DP 5-4-0-0

HCR 2021: food; municipal tax; exemption
Sponsor: Representative Biasiucci, LD 30
House Engrossed

Overview

Prohibits a city, town or other taxing jurisdiction from imposing a municipal transaction privilege tax on sale of food items intended for home consumption, unless the city, town or other taxing jurisdiction is compliant with outlined requirements for imposing a transaction privilege, sales, use, franchise or other similar tax or fee.

History

Current state law prohibits a tax exemption for specific sales of food ([A.R.S. § 42-5102](#)). However, it also allows a city, town or other taxing jurisdiction to impose a municipal transaction privilege tax on food items intended for home consumption ([A.R.S. § 42-6015](#)).

Provisions

1. States, the sale of food items intended for human consumption is *subject to subsection C*. (Sec. 1)
2. Prohibits a city, town or other taxing jurisdiction from imposing a municipal transaction privilege tax on the sale of food items intended for home consumption from and after June 30, 2027 unless the city, town or taxing jurisdictions meets requirements outlined in subsection C. (Sec. 1)
3. Outlines that a city, town or other taxing jurisdiction with a transaction privilege, sales, use, franchise or other similar tax or fee, however denominated, approved on or before January 1, 2025 must:
 - a) receive approval from the voters to increase a transaction privilege, sales, use, franchise or other similar tax or fee, however denominated, without exceeding two percent of the tax base;
 - b) not have an increase of the transaction privilege, sales, use, franchise or other similar tax or fee, however denominated, occur in the twenty-four-month period before June 30, 2027; and
 - c) reduce the rate of a transaction privilege, sales, use, franchise or other similar tax or fee, however denominated, to two percent of the tax base or lower on or before July 1, 2027 if the rate is higher than four percent. (Sec. 1)
4. Outlines that a city, town or other taxing jurisdiction without an approved transaction privilege, sales, use, franchise or other similar tax or fee, however denominated, on or before January 1, 2025 must:

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input checked="" type="checkbox"/> Fiscal Note
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- a) receive voter approval before adopting or increasing a transaction privilege, sales, use, franchise or other similar tax or fee, however denominated, and cannot be more than two percent of the tax base; and
 - b) not adopt or increase a transaction privilege, sales, use, franchise or other similar tax or fee, however denominated, within the twenty-four-month period before June 30, 2027. (Sec. 1)
- 5. Contains a retroactivity clause. (Sec. 2)
 - 6. Requires the Secretary of State to submit this proposition to the voters at the next general election. (Sec. 2)
 - 7. Makes conforming changes. (Sec. 1)