

REFERENCE TITLE: earned income; tax credit

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

HB 2685

Introduced by
Representatives Hernandez C: Biasiucci, Hernandez A, Hernandez L,
Martinez, Rivero, Tsosie; Senators Dunn, Shope

AN ACT

AMENDING SECTION 43-222, ARIZONA REVISED STATUTES; AMENDING TITLE 43,
CHAPTER 10, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION
43-1073.02; RELATING TO INDIVIDUAL INCOME TAX CREDITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 43-222, Arizona Revised Statutes, is amended to
3 read:

4 43-222. Income tax credit review schedule

5 The joint legislative income tax credit review committee shall
6 review the following income tax credits:

7 1. For years ending in 0 and 5, sections 43-1073.02, 43-1079.01,
8 43-1088, 43-1089.04, 43-1167.01 and 43-1175.

9 2. For years ending in 1 and 6, sections 43-1072.02, 43-1074.02,
10 43-1075, 43-1076.01, 43-1077, 43-1078, 43-1083, 43-1083.02, 43-1162,
11 43-1164.03 and 43-1183.

12 3. For years ending in 2 and 7, sections 43-1073, 43-1082, 43-1085,
13 43-1086, 43-1089, 43-1089.01, 43-1089.02, 43-1089.03, 43-1164,
14 43-1165, and 43-1181.

15 4. For years ending in 3 and 8, sections 43-1074.01, 43-1168,
16 43-1170 and 43-1178.

17 5. For years ending in 4 and 9, sections 43-1073.01, 43-1081.01,
18 43-1083.03, 43-1084, 43-1164.04, 43-1164.05 and 43-1184.

19 Sec. 2. Title 43, chapter 10, article 5, Arizona Revised Statutes,
20 is amended by adding section 43-1073.02, to read:

21 43-1073.02. Earned income tax credit

22 A. A CREDIT IS ALLOWED AGAINST THE TAXES DUE UNDER THIS TITLE FOR A
23 TAXABLE YEAR FOR AN INDIVIDUAL WHO QUALIFIES FOR AN EARNED INCOME TAX
24 CREDIT UNDER SECTION 32 OF THE INTERNAL REVENUE CODE. THE AMOUNT OF THE
25 CREDIT UNDER THIS SECTION IS \$350.

26 B. THE DEPARTMENT SHALL MAKE SUITABLE CLAIM FORMS AVAILABLE WITH
27 THE INDIVIDUAL INCOME TAX RETURNS. A CLAIM FOR CREDIT UNDER THIS SECTION
28 IS NOT ALLOWED UNLESS THE CLAIM IS ACTUALLY FILED WITH THE CLAIMANT'S
29 INCOME TAX RETURN, EXCEPT THAT CLAIMANTS WHO CERTIFY ON THE CLAIM FORM
30 THAT THEY HAVE NO INCOME TAX LIABILITY FOR THE TAXABLE YEAR AND WHO DO NOT
31 MEET THE FILING REQUIREMENTS OF SECTION 43-301 ARE NOT REQUIRED TO FILE
32 THE INCOME TAX RETURN.

33 C. ONLY ONE CLAIMANT PER HOUSEHOLD PER TAXABLE YEAR IS ENTITLED TO
34 A CREDIT UNDER THIS SECTION.

35 D. IF THE ALLOWABLE AMOUNT UNDER SUBSECTION A OF THIS SECTION
36 EXCEEDS THE AMOUNT OF TAX DUE UNDER THIS TITLE, AFTER APPLYING ALL OTHER
37 CREDITS TO WHICH THE CLAIMANT MAY BE ENTITLED AND AFTER ANY SETOFF UNDER
38 SECTION 42-1122, THE EXCESS SHALL BE PAID IN THE SAME MANNER AS A REFUND
39 UNDER SECTION 42-1118.

1 Sec. 3. Purpose

2 Pursuant to section 43-223, Arizona Revised Statutes, the
3 legislature enacts section 43-1073.02, Arizona Revised Statutes, as added
4 by this act, to provide an economic benefit to low-income persons and
5 families in this state.

6 Sec. 4. Retroactivity

7 Section 43-1073.02, Arizona Revised Statutes, as added by this act,
8 applies retroactively to taxable years beginning from and after December
9 31, 2024.