

Senate Engrossed

personal property exemption; increase

State of Arizona
Senate
Fifty-seventh Legislature
First Regular Session
2025

SENATE BILL 1069

AN ACT

AMENDING SECTION 42-11127, ARIZONA REVISED STATUTES; RELATING TO PROPERTY TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-11127, Arizona Revised Statutes, is amended
3 to read:

4 42-11127. Exempt personal property

5 A. Pursuant to article IX, section 2, subsection F, Constitution
6 of Arizona, personal property that is class two property pursuant to
7 section 42-12002, paragraph 2, subdivision (a) or (b) and that is used for
8 agricultural purposes or personal property that is class one property
9 pursuant to section 42-12001 and that is used in a trade or business as
10 described in section 42-12001, paragraphs 8 through 11 or 13 is exempt
11 from taxation up to a maximum amount of ~~\$207,366~~ \$500,000 of full cash
12 value for each taxpayer.

13 B. On or before December 31 of each year, the department shall
14 increase the maximum amount of the exemption for the following tax year
15 based on the percentage increase, if any, in the employment cost index for
16 total compensation for private industry workers in the two most recent
17 complete state fiscal years. For the purposes of this subsection,
18 "employment cost index" means the average of the employment cost indices
19 reported by ~~the bureau of labor statistics of~~ the United States department
20 of labor, BUREAU OF LABOR STATISTICS or its successor for the eight
21 quarters of the two most recent state fiscal years.

22 Sec. 2. Effective date

23 Section 42-11127, Arizona Revised Statutes, as amended by this act,
24 is effective from and after December 31, 2025.