

House Engrossed

~~distributions; transportation projects; Pinal county~~
(now: income tax rebate; net revenues)

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HOUSE BILL 2273

AN ACT

DISTRIBUTION OF INCOME TAX REBATES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Individual income tax rebate; eligibility; claim
3 application; subtraction from Arizona gross
4 income; appeal; memorandum of understanding;
5 delayed repeal

6 A. The department of revenue shall issue a onetime individual
7 income tax rebate to an Arizona taxpayer whose primary residence was
8 located in Pinal county during taxable years 2018 through 2024 and who
9 filed a full-year resident tax return for taxable year 2026.

10 B. If the taxpayer does not meet any of the requirements in
11 subsection A of this section, the department of revenue shall conclude
12 that the taxpayer does not meet the criteria to be issued a rebate under
13 this section.

14 C. One rebate will be issued for each full-year resident tax return
15 for taxable year 2026 who qualifies under subsection A of this section in
16 the amount of \$300. The primary taxpayer's taxpayer identification number
17 as reported on the taxpayer's full-year resident tax return for taxable
18 year 2026 shall be used as needed in subsection A of this section for
19 matching and verification purposes.

20 D. If a qualifying taxpayer is deceased, the taxpayer's surviving
21 spouse, personal representative or executor or another official
22 representative of the estate designated pursuant to applicable state law
23 may receive the rebate for the deceased taxpayer.

24 E. The department of revenue shall pay all rebates issued pursuant
25 to this section on or before November 15, 2027, but not earlier than
26 October 15, 2027. The department shall attempt to pay a qualifying
27 taxpayer's rebate by electronic funds transfer using the routing and
28 account information provided by the taxpayer on the taxpayer's full-year
29 resident tax return for taxable year 2026 or more recent routing and
30 account information provided by the taxpayer. If such attempt fails, or if
31 the taxpayer did not provide such routing and account information, the
32 department shall issue the rebate check by mail to the most recent home
33 address provided by the taxpayer.

34 F. A taxpayer who does not receive the rebate issued pursuant to
35 this section on or before November 15, 2027 may claim the rebate by filing
36 a claim application online in the form and manner prescribed by the
37 department of revenue. The claim application must include the claimant's
38 name, address, taxpayer identification number and individual income tax
39 filing status. The department shall review each claim application and
40 verify the information provided. The department may request that a
41 claimant provide evidence to verify the claimant's eligibility for the
42 rebate.

43 G. In computing Arizona adjusted gross income, any rebate received
44 by a taxpayer pursuant to this section and required to be included in

1 Arizona gross income under the internal revenue code shall be subtracted
2 from the taxpayer's Arizona gross income.

3 H. Notwithstanding any other administrative proceedings established
4 by law or by rule, all appealable agency actions as defined in section
5 41-1092, Arizona Revised Statutes, and contested cases as defined in
6 section 41-1001, Arizona Revised Statutes, relating to a rebate issued
7 pursuant to this section are governed by title 41, chapter 6, article 10,
8 Arizona Revised Statutes.

9 I. The department of revenue shall enter into a memorandum of
10 understanding with Pinal county and the Pinal regional transportation
11 authority to pay the rebates allowed under this section from the monies,
12 including the interest earned on those monies, remaining in the escrow
13 account in which the monies are being held.

14 J. This section is repealed from and after December 31, 2032.