

CORRECTED

Senate Engrossed

~~state agencies; payments; cryptocurrency~~
(now: state agencies; virtual currency payments)

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

SENATE BILL 1043

AN ACT

AMENDING TITLE 35, CHAPTER 1, ARTICLE 3, ARIZONA REVISED STATUTES, BY
ADDING SECTION 35-156; AMENDING SECTIONS 42-5018 AND 43-505, ARIZONA
REVISED STATUTES; RELATING TO THE CONTROL OF RECEIPTS AND EXPENDITURES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 35, chapter 1, article 3, Arizona Revised
3 Statutes, is amended by adding section 35-156, to read:

4 35-156. Method of payment; virtual currency; agreement;
5 definitions

6 A. A STATE AGENCY MAY ENTER INTO AN AGREEMENT WITH A VIRTUAL
7 CURRENCY SERVICE PROVIDER TO PROVIDE A METHOD TO ACCEPT VIRTUAL CURRENCY
8 AS A PAYMENT METHOD OF FINES, CIVIL PENALTIES OR OTHER PENALTIES, RENT,
9 RATES, TAXES, FEES, CHARGES, REVENUE, FINANCIAL OBLIGATIONS AND SPECIAL
10 ASSESSMENTS TO PAY ANY AMOUNT DUE TO THAT AGENCY OR THIS STATE.

11 B. THE AGREEMENT SHALL:

12 1. GOVERN THE TERMS AND CONDITIONS ON WHICH VIRTUAL CURRENCY AS A
13 MEANS OF PAYMENT CAN BE ACCEPTED OR DECLINED.

14 2. PROVIDE THE MANNER IN AND CONDITIONS ON WHICH A VIRTUAL CURRENCY
15 SERVICE PROVIDER SHALL PAY THIS STATE BY MEANS OF VIRTUAL CURRENCY OR
16 UNITED STATES DOLLARS PURSUANT TO THE AGREEMENT.

17 C. A STATE AGENCY THAT HAS ENTERED INTO AN AGREEMENT WITH A VIRTUAL
18 CURRENCY SERVICE PROVIDER AS PROVIDED BY THIS SECTION MAY ACCEPT VIRTUAL
19 CURRENCY AS A METHOD OF PAYMENT FOR FINES, CIVIL PENALTIES OR OTHER
20 PENALTIES, RENT, RATES, TAXES, FEES, CHARGES, REVENUE, FINANCIAL
21 OBLIGATIONS AND SPECIAL ASSESSMENTS TO PAY ANY AMOUNT DUE TO THAT AGENCY
22 OR THIS STATE.

23 D. A STATE AGENCY MAY PAY ANY SERVICE FEES SPECIFIED IN THE
24 AGREEMENT FOR THE VIRTUAL CURRENCY TRANSACTION OR MAY REQUIRE A PERSON
25 THAT PAYS WITH VIRTUAL CURRENCY TO PAY THE SERVICE FEES ASSOCIATED WITH
26 THE VIRTUAL CURRENCY TRANSACTION.

27 E. A PERSON THAT PAYS WITH VIRTUAL CURRENCY IS LIABLE FOR THE
28 PAYMENT AND ALL INTEREST AND PENALTIES UNTIL THE STATE AGENCY HAS RECEIVED
29 FINAL AND UNCONDITIONAL PAYMENT OF THE FULL AMOUNT DUE FROM THE VIRTUAL
30 CURRENCY SERVICE PROVIDER FOR THE VIRTUAL CURRENCY TRANSACTION.

31 F. FOR THE PURPOSES OF THIS SECTION:

32 1. "VIRTUAL CURRENCY" MEANS A DIGITAL REPRESENTATION OF VALUE THAT
33 FUNCTIONS AS A MEDIUM OF EXCHANGE, A UNIT OF ACCOUNT AND A STORE OF VALUE,
34 INCLUDING BITCOIN, ETHEREUM, XRP, LITECOIN AND BITCOIN CASH, AND INCLUDES
35 STABLECOINS. VIRTUAL CURRENCY DOES NOT INCLUDE LEGAL TENDER ISSUED BY THE
36 UNITED STATES OR A FOREIGN GOVERNMENT.

37 2. "VIRTUAL CURRENCY SERVICE PROVIDER" MEANS A PERSON OR ENTITY
38 WITH DEMONSTRATED EXPERIENCE CONVERTING ANY FORM OF VIRTUAL CURRENCY,
39 INCLUDING BITCOIN, ETHEREUM, XRP, LITECOIN AND BITCOIN CASH, TO LEGAL
40 TENDER.

41 3. "STABLECOIN" MEANS A PAYMENT STABLECOIN AS DEFINED IN THE
42 GUIDING AND ESTABLISHING NATIONAL INNOVATION FOR U.S. STABLECOINS (GENIUS)
43 ACT OF 2025 (P.L. 119-27) AND THAT IS ISSUED IN COMPLIANCE WITH ALL
44 APPLICABLE FEDERAL LAWS GOVERNING SUCH ISSUANCE.

1 Sec. 2. Section 42-5018, Arizona Revised Statutes, is amended to
2 read:

3 42-5018. Method of payment

4 A. All remittances of taxes imposed by this article shall be made
5 by bank draft, check, cashier's check, money order, cash or electronic
6 funds transfer to the department, which shall issue receipts therefor to
7 the taxpayers, but no remittance other than cash shall be final discharge
8 of liability for the tax levied by this article until it has been paid in
9 cash to the department.

10 B. IN ADDITION TO THE METHODS DESCRIBED IN SUBSECTION A OF THIS
11 SECTION, THE DEPARTMENT MAY ENTER INTO AN AGREEMENT PURSUANT TO SECTION
12 35-156 TO ACCEPT VIRTUAL CURRENCY FOR REMITTANCES OF TAXES IMPOSED BY THIS
13 ARTICLE.

14 Sec. 3. Section 43-505, Arizona Revised Statutes, is amended to
15 read:

16 43-505. Tax payments made to department; order of crediting

17 A. The tax and any interest and penalties shall be paid to the
18 department. Remittances may be in the form of EITHER:

19 1. A check payable to the department during such A time and under
20 such regulations as the director may prescribe. If a check is not paid by
21 the bank on which it is drawn, the taxpayer tendering the check ~~shall~~
22 ~~remain~~ IS liable for the payment of the tax and all interest and penalties
23 as if ~~he had~~ THE CHECK WERE not tendered ~~the check~~.

24 2. IF THE DEPARTMENT ENTERS INTO AN AGREEMENT PURSUANT TO SECTION
25 35-156, VIRTUAL CURRENCY.

26 B. The department shall credit payments against a taxpayer's unpaid
27 tax liability before crediting payments against any interest or penalties.

28 Sec. 4. Effective date

29 This act is effective from and after December 31, 2026.