

REFERENCE TITLE: tax expenditures; credits; review schedule

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

## **SB 1466**

Introduced by  
Senators Epstein: Alston, Gabaldón, Miranda, Sundareshan

### AN ACT

AMENDING SECTION 42-2003, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 5, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-5046; AMENDING SECTIONS 43-221, 43-222 AND 43-223, ARIZONA REVISED STATUTES; RELATING TO TAX EXPENDITURES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-2003, Arizona Revised Statutes, is amended to  
3 read:

4 42-2003. Authorized disclosure of confidential information

5 A. Confidential information relating to:

6 1. A taxpayer may be disclosed to the taxpayer, its successor in  
7 interest or a designee of the taxpayer who is authorized in writing by the  
8 taxpayer. A principal corporate officer of a parent corporation may  
9 execute a written authorization for a controlled subsidiary. If a  
10 taxpayer elects to file an Arizona small business income tax return under  
11 section 43-302, a written authorization by the taxpayer to allow the  
12 department to disclose personal income tax information to a designee  
13 includes the corresponding Arizona small business income tax return.

14 2. A corporate taxpayer may be disclosed to any principal officer,  
15 any person designated by a principal officer or any person designated in a  
16 resolution by the corporate board of directors or other similar governing  
17 body. If a corporate officer signs a statement under penalty of perjury  
18 representing that the officer is a principal officer, the department may  
19 rely on the statement until the statement is shown to be false. For the  
20 purposes of this paragraph, "principal officer" includes a chief executive  
21 officer, president, secretary, treasurer, vice president of tax, chief  
22 financial officer, chief operating officer or chief tax officer or any  
23 other corporate officer who has the authority to bind the taxpayer on  
24 matters related to state taxes.

25 3. A partnership may be disclosed to any partner of the  
26 partnership. This exception does not include disclosure of confidential  
27 information of a particular partner unless otherwise authorized.

28 4. A limited liability company may be disclosed to any member of  
29 the company or, if the company is manager-managed, to any manager.

30 5. An estate may be disclosed to the personal representative of the  
31 estate and to any heir, next of kin or beneficiary under the will of the  
32 decedent if the department finds that the heir, next of kin or beneficiary  
33 has a material interest that will be affected by the confidential  
34 information.

35 6. A trust may be disclosed to the trustee or trustees, jointly or  
36 separately, and to the grantor or any beneficiary of the trust if the  
37 department finds that the grantor or beneficiary has a material interest  
38 that will be affected by the confidential information.

39 7. A government entity may be disclosed to the head of the entity  
40 or a member of the governing board of the entity, or any employee of the  
41 entity who has been delegated the authorization in writing by the head of  
42 the entity or the governing board of the entity.

43 8. Any taxpayer may be disclosed if the taxpayer has waived any  
44 rights to confidentiality either in writing or on the record in any  
45 administrative or judicial proceeding.

1           9. The name and taxpayer identification numbers of persons issued  
2 direct payment permits may be publicly disclosed.

3           10. Any taxpayer may be disclosed during a meeting or telephone  
4 call if the taxpayer is present during the meeting or telephone call and  
5 authorizes the disclosure of confidential information.

6           B. Confidential information may be disclosed to:

7           1. Any employee of the department whose official duties involve tax  
8 administration.

9           2. The office of the attorney general solely for its use in  
10 preparation for, or in an investigation that may result in, any proceeding  
11 involving tax administration before the department or any other agency or  
12 board of this state, or before any grand jury or any state or federal  
13 court.

14           3. The department of liquor licenses and control for its use in  
15 determining whether a spirituous liquor licensee has paid all transaction  
16 privilege taxes and affiliated excise taxes incurred as a result of the  
17 sale of spirituous liquor, as defined in section 4-101, at the licensed  
18 establishment and imposed on the licensed establishments by this state and  
19 its political subdivisions.

20           4. Other state tax officials whose official duties require the  
21 disclosure for proper tax administration purposes if the information is  
22 sought in connection with an investigation or any other proceeding  
23 conducted by the official. Any disclosure is limited to information of a  
24 taxpayer who is being investigated or who is a party to a proceeding  
25 conducted by the official.

26           5. The following agencies, officials and organizations, if they  
27 grant substantially similar privileges to the department for the type of  
28 information being sought, pursuant to statute and a written agreement  
29 between the department and the foreign country, agency, state, Indian  
30 tribe or organization:

31           (a) The United States internal revenue service, alcohol and tobacco  
32 tax and trade bureau of the United States treasury, United States bureau  
33 of alcohol, tobacco, firearms and explosives of the United States  
34 department of justice, United States drug enforcement agency and federal  
35 bureau of investigation.

36           (b) A state tax official of another state.

37           (c) An organization of states, federation of tax administrators or  
38 multistate tax commission that operates an information exchange for tax  
39 administration purposes.

40           (d) An agency, official or organization of a foreign country with  
41 responsibilities that are comparable to those listed in subdivision (a),  
42 (b) or (c) of this paragraph.

1 (e) An agency, official or organization of an Indian tribal  
2 government with responsibilities comparable to the responsibilities of the  
3 agencies, officials or organizations identified in subdivision (a), (b) or  
4 (c) of this paragraph.

5 6. The auditor general, in connection with any audit of the  
6 department subject to the restrictions in section 42-2002, subsection D.

7 7. Any person to the extent necessary for effective tax  
8 administration in connection with:

9 (a) The processing, storage, transmission, destruction and  
10 reproduction of the information.

11 (b) The programming, maintenance, repair, testing and procurement  
12 of equipment for purposes of tax administration.

13 (c) The collection of the taxpayer's civil liability.

14 8. The office of administrative hearings relating to taxes  
15 administered by the department pursuant to section 42-1101, but the  
16 department shall not disclose any confidential information without the  
17 taxpayer's written consent:

18 (a) Regarding income tax or withholding tax.

19 (b) On any tax issue relating to information associated with the  
20 reporting of income tax or withholding tax.

21 9. The United States treasury inspector general for tax  
22 administration for the purpose of reporting a violation of internal  
23 revenue code section 7213A (26 United States Code section 7213A),  
24 unauthorized inspection of returns or return information.

25 10. The financial management service of the United States treasury  
26 department for use in the treasury offset program.

27 11. The United States treasury department or its authorized agent  
28 for use in the state income tax levy program and in the electronic federal  
29 tax payment system.

30 12. The Arizona commerce authority for its use in:

31 (a) Qualifying renewable energy operations for the tax incentives  
32 under section 42-12006.

33 (b) Qualifying businesses with a qualified facility for income tax  
34 credits under sections 43-1083.03 and 43-1164.04.

35 (c) Fulfilling its annual reporting responsibility pursuant to  
36 section 41-1512, subsections U and V and section 41-1517, subsection L.

37 (d) Certifying computer data centers for tax relief under section  
38 41-1519.

39 (e) Certifying applicants for the tax credit for motion picture  
40 production costs under sections 43-1082 and 43-1165.

41 13. A prosecutor for purposes of section 32-1164, subsection C.

42 14. The office of the state fire marshal for use in determining  
43 compliance with and enforcing title 37, chapter 9, article 5.

44 15. The department of transportation for its use in administering  
45 taxes, surcharges and penalties prescribed by title 28.

1           16. The Arizona health care cost containment system administration  
2 for its use in administering nursing facility provider assessments.

3           17. The department of administration risk management division and  
4 the office of the attorney general if the information relates to a claim  
5 against this state pursuant to section 12-821.01 involving the department  
6 of revenue.

7           18. Another state agency if the taxpayer authorizes the disclosure  
8 of confidential information in writing, including an authorization that is  
9 part of an application form or other document submitted to the agency.

10           19. The department of economic security for its use in determining  
11 whether an employer has paid all amounts due under the unemployment  
12 insurance program pursuant to title 23, chapter 4.

13           20. The department of health services for its use in determining  
14 the following:

15           (a) Whether a medical marijuana dispensary is in compliance with  
16 the tax requirements of chapter 5 of this title for the purposes of  
17 section 36-2806, subsection A.

18           (b) Whether a marijuana establishment, marijuana testing facility  
19 or dual licensee licensed under title 36, chapter 28.2 is in compliance  
20 with the tax obligations under this title or title 43.

21           21. The Arizona department of agriculture for the purpose of  
22 ascertaining compliance with the licensing provisions in title 3.

23           22. The office of economic opportunity for the purpose of  
24 performing the duties and obligations to or on behalf of this state  
25 prescribed by title 41, chapter 53.

26           C. Confidential information may be disclosed in any state or  
27 federal judicial or administrative proceeding pertaining to tax  
28 administration pursuant to the following conditions:

29           1. One or more of the following circumstances must apply:

30           (a) The taxpayer is a party to the proceeding.

31           (b) The proceeding arose out of, or in connection with, determining  
32 the taxpayer's civil or criminal liability, or the collection of the  
33 taxpayer's civil liability, with respect to any tax imposed under this  
34 title or title 43.

35           (c) The treatment of an item reflected on the taxpayer's return is  
36 directly related to the resolution of an issue in the proceeding.

37           (d) Return information directly relates to a transactional  
38 relationship between a person who is a party to the proceeding and the  
39 taxpayer and directly affects the resolution of an issue in the  
40 proceeding.

41           2. Confidential information may not be disclosed under this  
42 subsection if the disclosure is prohibited by section 42-2002, subsection  
43 C or D.

1 D. Identity information may be disclosed for purposes of notifying  
2 persons entitled to tax refunds if the department is unable to locate the  
3 persons after reasonable effort.

4 E. The department, on the request of any person, shall provide the  
5 names and addresses of bingo licensees as defined in section 5-401, verify  
6 whether or not a person has a privilege license and number, a tobacco  
7 product distributor's license and number or a withholding license and  
8 number or disclose the information to be posted on the department's  
9 website or otherwise publicly accessible pursuant to section 42-1124,  
10 subsection F and section 42-3401.

11 F. A department employee, in connection with the official duties  
12 relating to any audit, collection activity or civil or criminal  
13 investigation, may disclose return information to the extent that  
14 disclosure is necessary to obtain information that is not otherwise  
15 reasonably available. These official duties include the correct  
16 determination of and liability for tax, the amount to be collected or the  
17 enforcement of other state tax revenue laws.

18 G. Confidential information relating to transaction privilege tax,  
19 use tax, severance tax, jet fuel excise and use tax and any other tax  
20 collected by the department on behalf of any jurisdiction may be disclosed  
21 to any county, city or town tax official if the information relates to a  
22 taxpayer who is or may be taxable by a county, city or town or who may be  
23 subject to audit by the department pursuant to section 42-6002. Any  
24 taxpayer information that is released by the department to the county,  
25 city or town:

26 1. May be used only for internal purposes, including audits and  
27 communication with taxpayers for the purposes of the notice required by  
28 section 9-499.15, subsection C. If there is a legitimate business need  
29 relating to enforcing laws, regulations and ordinances pursuant to section  
30 9-500.39 or 11-269.17, a county, city or town tax official may redisclose  
31 transaction privilege tax information relating to a vacation rental or  
32 short-term rental property owner or online lodging operator from the new  
33 license report and license update report, subject to the following:

34 (a) The information redisclosed is limited to the following:

35 (i) The transaction privilege tax license number.

36 (ii) The type of organization or ownership of the business.

37 (iii) The legal business name and doing business as name, if  
38 different from the legal name.

39 (iv) The business mailing address, tax record physical location  
40 address, telephone number, email address and fax number.

41 (v) The date the business started in this state, the business  
42 description and the North American industry classification system code.

43 (vi) The name, address and telephone number for each owner,  
44 partner, corporate officer, member, managing member or official of the  
45 employing unit.

1 (b) Redisdisclosure is limited to nonelected officials in other units  
2 within the county, city or town. The information may not be redisclosed  
3 to an elected official or the elected official's staff.

4 (c) All redisclosures of confidential information made pursuant to  
5 this paragraph are subject to paragraph 2 of this subsection.

6 2. May not be disclosed to the public in any manner that does not  
7 comply with confidentiality standards established by the department. The  
8 county, city or town shall agree in writing with the department that any  
9 release of confidential information that violates the confidentiality  
10 standards adopted by the department will result in the immediate  
11 suspension of any rights of the county, city or town to receive taxpayer  
12 information under this subsection.

13 H. The department may disclose statistical information gathered  
14 from confidential information if it does not disclose confidential  
15 information attributable to any one taxpayer. The department may disclose  
16 statistical information gathered from confidential information, even if it  
17 discloses confidential information attributable to a taxpayer, to:

18 1. The state treasurer in order to comply with the requirements of  
19 section 42-5029, subsection A, paragraph 3.

20 2. The joint legislative ~~income~~ tax ~~credit~~ EXPENDITURE review  
21 committee, the joint legislative budget committee staff and the  
22 legislative staff in order to comply with the requirements of section  
23 43-221.

24 I. The department may disclose the aggregate amounts of any tax  
25 credit, tax deduction or tax exemption enacted after January 1, 1994.  
26 Information subject to disclosure under this subsection shall not be  
27 disclosed if a taxpayer demonstrates to the department that such  
28 information would give an unfair advantage to competitors.

29 J. Except as provided in section 42-2002, subsection C,  
30 confidential information, described in section 42-2001, paragraph 1,  
31 subdivision (a), item (ii), may be disclosed to law enforcement agencies  
32 for law enforcement purposes.

33 K. The department may provide transaction privilege tax license  
34 information to property tax officials in a county for the purpose of  
35 identification and verification of the tax status of commercial property.

36 L. The department may provide transaction privilege tax, luxury  
37 tax, use tax, property tax and severance tax information to the  
38 ombudsman-citizens aide pursuant to title 41, chapter 8, article 5.

39 M. Except as provided in section 42-2002, subsection D, a court may  
40 order the department to disclose confidential information pertaining to a  
41 party to an action. An order shall be made only on a showing of good  
42 cause and that the party seeking the information has made demand on the  
43 taxpayer for the information.

1 N. This section does not prohibit the disclosure by the department  
2 of any information or documents submitted to the department by a bingo  
3 licensee. Before disclosing the information, the department shall obtain  
4 the name and address of the person requesting the information.

5 O. If the department is required or allowed to disclose  
6 confidential information, it may charge the person or agency requesting  
7 the information for the reasonable cost of its services.

8 P. Except as provided in section 42-2002, subsection D, the  
9 department of revenue shall release confidential information as requested  
10 by the department of economic security pursuant to section 42-1122 or  
11 46-291. Information disclosed under this subsection is limited to the  
12 same type of information that the United States internal revenue service  
13 is authorized to disclose under section 6103(l)(6) of the internal revenue  
14 code.

15 Q. Except as provided in section 42-2002, subsection D, the  
16 department shall release confidential information as requested by the  
17 courts and clerks of the court pursuant to section 42-1122.

18 R. To comply with the requirements of section 42-5031, the  
19 department may disclose to the state treasurer, to the county stadium  
20 district board of directors and to any city or town tax official that is  
21 part of the county stadium district confidential information attributable  
22 to a taxpayer's business activity conducted in the county stadium  
23 district.

24 S. The department shall release to the attorney general  
25 confidential information as requested by the attorney general for purposes  
26 of determining compliance with or enforcing any of the following:

27 1. Any public health control law relating to tobacco sales as  
28 provided under title 36, chapter 6, article 14.

29 2. Any law relating to reduced cigarette ignition propensity  
30 standards as provided under title 37, chapter 9, article 5.

31 3. Sections 44-7101 and 44-7111, the master settlement agreement  
32 referred to in those sections and all agreements regarding disputes under  
33 the master settlement agreement.

34 T. For proceedings before the department, the office of  
35 administrative hearings, the state board of tax appeals or any state or  
36 federal court involving penalties that were assessed against a return  
37 preparer, an electronic return preparer or a payroll service company  
38 pursuant to section 42-1103.02, 42-1125.01 or 43-419, confidential  
39 information may be disclosed only before the judge or administrative law  
40 judge adjudicating the proceeding, the parties to the proceeding and the  
41 parties' representatives in the proceeding prior to its introduction into  
42 evidence in the proceeding. The confidential information may be  
43 introduced as evidence in the proceeding only if the taxpayer's name, the  
44 names of any dependents listed on the return, all social security numbers,

1 the taxpayer's address, the taxpayer's signature and any attachments  
2 containing any of the foregoing information are redacted and if either:

3 1. The treatment of an item reflected on such a return is or may be  
4 related to the resolution of an issue in the proceeding.

5 2. Such a return or the return information relates or may relate to  
6 a transactional relationship between a person who is a party to the  
7 proceeding and the taxpayer that directly affects the resolution of an  
8 issue in the proceeding.

9 3. The method of payment of the taxpayer's withholding tax  
10 liability or the method of filing the taxpayer's withholding tax return is  
11 an issue for the period.

12 U. The department and attorney general may share the information  
13 specified in subsection S of this section with any of the following:

14 1. Federal, state or local agencies located in this state for the  
15 purposes of enforcement of the statutes or agreements specified in  
16 subsection S of this section or for the purposes of enforcement of  
17 corresponding laws of other states.

18 2. Indian tribes located in this state for the purposes of  
19 enforcement of the statutes or agreements specified in subsection S of  
20 this section.

21 3. A court, arbitrator, data clearinghouse or similar entity for  
22 the purpose of assessing compliance with or making calculations required  
23 by the master settlement agreement or agreements regarding disputes under  
24 the master settlement agreement, and with counsel for the parties or  
25 expert witnesses in any such proceeding, if the information otherwise  
26 remains confidential.

27 V. The department may provide the name and address of qualifying  
28 hospitals and qualifying health care organizations, as defined in section  
29 42-5001, to a business that is classified and reporting transaction  
30 privilege tax under the utilities classification.

31 W. The department may disclose to an official of any city, town or  
32 county in a current agreement or considering a prospective agreement with  
33 the department as described in section 42-5032.02, subsection G any  
34 information relating to amounts that are subject to distribution and that  
35 are required by section 42-5032.02. Information disclosed by the  
36 department under this subsection:

37 1. May be used only by the city, town or county for internal  
38 purposes.

39 2. May not be disclosed to the public in any manner that does not  
40 comply with confidentiality standards established by the department. The  
41 city, town or county must agree with the department in writing that any  
42 release of confidential information that violates the confidentiality  
43 standards will result in the immediate suspension of any rights of the  
44 city, town or county to receive information under this subsection.

1 X. Notwithstanding any other provision of this section, the  
2 department may not disclose information provided by an online lodging  
3 marketplace, as defined in section 42-5076, without the written consent of  
4 the online lodging marketplace, and the information may be disclosed only  
5 pursuant to subsection A, paragraphs 1 through 6, 8 and 10, subsection B,  
6 paragraphs 1, 2, 7 and 8 and subsections C, D and G of this section. Such  
7 information:

8 1. Is not subject to disclosure pursuant to title 39, relating to  
9 public records.

10 2. May not be disclosed to any agency of this state or of any  
11 county, city, town or other political subdivision of this state.

12 Sec. 2. Title 42, chapter 5, article 1, Arizona Revised Statutes,  
13 is amended by adding section 42-5046, to read:

14 42-5046. Sunset review of transaction privilege and use tax  
15 expenditures; report; definition

16 A. IN ADDITION TO THE RESPONSIBILITIES PRESCRIBED IN SECTION  
17 43-221, THE JOINT LEGISLATIVE TAX EXPENDITURE REVIEW COMMITTEE SHALL  
18 REVIEW EACH TRANSACTION PRIVILEGE AND USE TAX EXPENDITURE UNDER THIS  
19 CHAPTER ACCORDING TO THE SAME STANDARDS PRESCRIBED IN SECTION 43-221,  
20 SUBSECTION B TO DETERMINE WHETHER THE TAX EXPENDITURE SHOULD BE AMENDED,  
21 RETAINED OR REPEALED. THE COMMITTEE SHALL REPORT ITS RECOMMENDATIONS TO  
22 THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES  
23 AND THE GOVERNOR ON OR BEFORE DECEMBER 15 OF THE YEAR THE COMMITTEE  
24 REVIEWS THE TAX EXPENDITURE AND SHALL PROVIDE A COPY OF THE REPORT TO THE  
25 SECRETARY OF STATE AND THE DIRECTOR OF THE DEPARTMENT.

26 B. FOR THE PURPOSES OF THIS SECTION, "TAX EXPENDITURE" MEANS ANY  
27 PROVISION IN THIS CHAPTER THAT EXEMPTS, IN WHOLE OR IN PART, ANY PERSON,  
28 INCOME, GOODS, SERVICES OR PROPERTY FROM THE IMPACT OF ESTABLISHED TAXES  
29 AND TAX CLASSIFICATIONS, INCLUDING DEDUCTIONS, SUBTRACTIONS, EXCLUSIONS,  
30 EXEMPTIONS, ALLOWANCES AND CREDITS.

31 Sec. 3. Section 43-221, Arizona Revised Statutes, is amended to  
32 read:

33 43-221. Joint legislative tax expenditure review committee;  
34 report

35 A. The joint legislative ~~income~~ tax ~~credit~~ EXPENDITURE review  
36 committee is established consisting of the following members:

37 1. Five members of the house of representatives ways and means  
38 committee WHO ARE appointed by the speaker of the house of  
39 representatives. Not more than three appointees shall be of the same  
40 political party.

41 2. Five members of the senate finance committee WHO ARE appointed  
42 by the president of the senate. Not more than three appointees shall be  
43 of the same political party.

1 B. The committee shall determine the original purpose of existing  
2 tax ~~credits~~ EXPENDITURES UNDER TITLE 42, CHAPTER 5 AND CHAPTERS 10 AND 11  
3 OF THIS TITLE and establish a standard for evaluating and measuring the  
4 success or failure of ~~the EACH~~ tax ~~credits~~ EXPENDITURE. The standard for  
5 evaluating A tax ~~credits~~ EXPENDITURE may include:

6 1. The history, rationale and estimated revenue impact of the  
7 ~~credit~~ TAX EXPENDITURE.

8 2. Whether the ~~credit~~ TAX EXPENDITURE has provided a benefit to  
9 this state including, for corporate INCOME tax credits, measurable  
10 economic development, new investments, creation of new jobs or retention  
11 of existing jobs in this state.

12 3. Whether the ~~credit~~ TAX EXPENDITURE is unnecessarily complex in  
13 the application, administration and approval process.

14 C. THE COMMITTEE SHALL ADOPT AND REVIEW THE TAX EXPENDITURES UNDER  
15 TITLE 42, CHAPTER 5 ACCORDING TO A TEN-YEAR REVIEW SCHEDULE.

16 ~~C.~~ D. The committee shall review the individual and corporate  
17 income tax credits pursuant to the schedule prescribed in section 43-222.

18 E. The committee shall use the joint legislative budget committee  
19 staff and may use the staff of the department of revenue and legislative  
20 council for assistance.

21 ~~D.~~ F. After completing the review process, the committee shall  
22 determine whether the ~~credit~~ TAX EXPENDITURE should be amended, repealed  
23 or retained. If the ~~credit~~ TAX EXPENDITURE is recommended to be retained  
24 or amended, the committee shall recommend A NEW REVIEW DATE AND that the  
25 ~~credit~~ TAX EXPENDITURE be returned to the income tax credit review  
26 schedule prescribed in section 43-222 OR THE SCHEDULE FOR REVIEWING TAX  
27 EXPENDITURES UNDER TITLE 42, CHAPTER 5 ADOPTED PURSUANT TO SUBSECTION C OF  
28 THIS SECTION.

29 G. FOR INDIVIDUAL AND CORPORATE INCOME TAX CREDITS, the next review  
30 year shall be ~~the fifth~~ NOT LATER THAN THE TENTH full calendar year  
31 following the date the credit was reviewed. FOR ALL OTHER TAX  
32 EXPENDITURES, THE NEXT REVIEW YEAR SHALL BE NOT LATER THAN THE TENTH FULL  
33 CALENDAR YEAR FOLLOWING THE DATE THE TAX EXPENDITURE WAS REVIEWED.

34 H. The committee shall report its findings and recommendations to  
35 the president of the senate, the speaker of the house of representatives  
36 and the governor by December 15 of ~~the EACH REVIEW~~ year ~~that the committee~~  
37 ~~reviews the credit~~. The committee shall provide a copy of the report to  
38 the secretary of state.

39 I. FOR THE PURPOSES OF THIS SECTION, "TAX EXPENDITURE":

40 1. MEANS:

41 (a) ANY PROVISION IN TITLE 42, CHAPTER 5 OR CHAPTER 10 OR 11 OF  
42 THIS TITLE THAT EXEMPTS, IN WHOLE OR IN PART, ANY PERSON, INCOME, GOODS,  
43 SERVICES OR PROPERTY FROM THE IMPACT OF ESTABLISHED TAXES AND TAX  
44 CLASSIFICATIONS, INCLUDING DEDUCTIONS, SUBTRACTIONS, EXCLUSIONS,  
45 EXEMPTIONS, ALLOWANCES AND CREDITS.

1 (b) INDIVIDUAL AND CORPORATE INCOME TAX CREDITS ESTABLISHED BY  
2 CHAPTER 10, ARTICLE 5 AND CHAPTER 11, ARTICLE 6 OF THIS TITLE.

3 2. DOES NOT INCLUDE DEDUCTIONS UNDER SECTION 42-5061, SUBSECTION A,  
4 PARAGRAPH 50, SECTION 42-5061, SUBSECTION G OR THE OMISSION OF ANY  
5 BUSINESS ACTIVITY FROM THE TRANSACTION PRIVILEGE TAX CLASSIFICATIONS UNDER  
6 TITLE 42, CHAPTER 5, ARTICLE 2.

7 Sec. 4. Section 43-222, Arizona Revised Statutes, is amended to  
8 read:

9 43-222. Income tax credit review schedule

10 The joint legislative ~~income~~ tax ~~credit~~ EXPENDITURE review committee  
11 shall review the following income tax credits:

12 ~~1. For years ending in 0 and 5, sections 43-1079.01, 43-1088,~~  
13 ~~43-1089.04, 43-1167.01 and 43-1175.~~

14 ~~2. For years ending in 1 and 6, sections 43-1072.02, 43-1074.02,~~  
15 ~~43-1075, 43-1076.01, 43-1077, 43-1078, 43-1083, 43-1083.02, 43-1162,~~  
16 ~~43-1164.03 and 43-1183.~~

17 ~~3. For years ending in 2 and 7, sections 43-1073, 43-1082, 43-1085,~~  
18 ~~43-1086, 43-1089, 43-1089.01, 43-1089.02, 43-1089.03, 43-1164 43-1165, and~~  
19 ~~43-1181.~~

20 ~~4. For years ending in 3 and 8, sections 43-1074.01, 43-1168,~~  
21 ~~43-1170 and 43-1178.~~

22 ~~5. For years ending in 4 and 9, sections 43-1073.01, 43-1081.01,~~  
23 ~~43-1083.03, 43-1084, 43-1164.04, 43-1164.05 and 43-1184.~~

24 1. FOR YEARS ENDING IN 1, SECTIONS 43-1074.02, 43-1077, 43-1078,  
25 43-1083, 43-1083.02, 43-1167.01, 43-1175 AND 43-1181.

26 2. FOR YEARS ENDING IN 2, SECTIONS 43-1082, 43-1084, 43-1162 AND  
27 43-1165.

28 3. FOR YEARS ENDING IN 3, SECTIONS 43-1073, 43-1164.03 AND 43-1183.

29 4. FOR YEARS ENDING IN 4, SECTIONS 43-1085 AND 43-1089.

30 5. FOR YEARS ENDING IN 5, SECTIONS 43-1089.01, 43-1089.02,  
31 43-1089.03 AND 43-1164.

32 6. FOR YEARS ENDING IN 6, SECTIONS 43-1074.01, 43-1076.01, 43-1077  
33 AND 43-1078.

34 7. FOR YEARS ENDING IN 7, SECTIONS 43-1086, 43-1168, 43-1170 AND  
35 43-1178.

36 8. FOR YEARS ENDING IN 8, SECTIONS 43-1072.02, 43-1074, 43-1081.01  
37 AND 43-1161.

38 9. FOR YEARS ENDING IN 9, SECTIONS 43-1073.01, 43-1083.03,  
39 43-1164.04, 43-1164.05 AND 43-1184.

40 10. FOR YEARS ENDING IN 0, SECTIONS 43-1079.01, 43-1088 AND  
41 43-1089.04.

1           Sec. 5. Section 43-223, Arizona Revised Statutes, is amended to  
2 read:

3           43-223. Requirements for new income tax credits established  
4                           by the legislature

5           Any new individual or corporate income tax credit that is enacted by  
6 the legislature shall include in its enabling legislation:

7           1. A specific review year for the joint legislative ~~income~~ tax  
8 ~~credit~~ EXPENDITURE review committee to review the credit. The specific  
9 review year shall be the fifth full calendar year following the date the  
10 credit is enacted.

11           2. A purpose clause that explains the rationale and objective of  
12 the tax credit.

13           Sec. 6. Transaction privilege tax expenditure review schedule

14           Pursuant to section 43-221, subsection C, Arizona Revised Statutes,  
15 as added by this act, the joint legislative tax expenditure review  
16 committee shall compile and adopt a ten-year review schedule for  
17 transaction privilege tax expenditures under title 42, chapter 5, Arizona  
18 Revised Statutes, on or before December 15, 2026.