

DIAL FLOOR AMENDMENT  
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1487  
(Reference to Senate engrossed bill)

1 Page 31, after line 35, insert:

2 "Sec. 18. Section 43-1011, Arizona Revised Statutes, is amended to  
3 read:

4 43-1011. Taxes and tax rates

5 There shall be levied, collected and paid for each taxable year upon  
6 the entire taxable income of every resident of this state and upon the entire  
7 taxable income of every nonresident which is derived from sources within this  
8 state taxes determined in the following manner:

9 1. For taxable years beginning from and after December 31, 1996  
10 through December 31, 1997:

11 (a) In the case of a single person or a married person filing  
12 separately:

<u>If taxable income is:</u>	<u>The tax is:</u>
\$0 - \$10,000	2.90% of taxable income
\$10,001 - \$25,000	\$290, plus 3.30% of the excess over \$10,000
\$25,001 - \$50,000	\$785, plus 3.90% of the excess over \$25,000
\$50,001 - \$150,000	\$1,760, plus 4.80% of the excess over \$50,000
\$150,001 and over	\$6,560, plus 5.17% of the excess over \$150,000

19 (b) In the case of a married couple filing a joint return or a single  
20 person who is a head of a household:

<u>If taxable income is:</u>	<u>The tax is:</u>
\$0 - \$20,000	2.90% of taxable income
\$20,001 - \$50,000	\$580, plus 3.30% of the excess over \$20,000
\$50,001 - \$100,000	\$1,570, plus 3.90% of the excess over \$50,000

1	\$100,001 - \$300,000	\$3,520, plus 4.80% of the excess over \$100,000
2	\$300,001 and over	\$13,120, plus 5.17% of the excess over \$300,000

3 2. For taxable years beginning from and after December 31, 1997  
4 through December 31, 1998:

5 (a) In the case of a single person or a married person filing  
6 separately:

7	<u>If taxable income is:</u>	<u>The tax is:</u>
8	\$0 - \$10,000	2.88% of taxable income
9	\$10,001 - \$25,000	\$288, plus 3.24% of the excess over \$10,000
10	\$25,001 - \$50,000	\$774, plus 3.82% of the excess over \$25,000
11	\$50,001 - \$150,000	\$1,729, plus 4.74% of the excess over \$50,000
12	\$150,001 and over	\$6,469, plus 5.10% of the excess over \$150,000

13 (b) In the case of a married couple filing a joint return or a single  
14 person who is a head of a household:

15	<u>If taxable income is:</u>	<u>The tax is:</u>
16	\$0 - \$20,000	2.88% of taxable income
17	\$20,001 - \$50,000	\$576, plus 3.24% of the excess over \$20,000
18	\$50,001 - \$100,000	\$1,548, plus 3.82% of the excess over \$50,000
19	\$100,001 - \$300,000	\$3,458, plus 4.74% of the excess over \$100,000
20	\$300,001 and over	\$12,938, plus 5.10% of the excess over \$300,000

21 3. For taxable years beginning from and after December 31, 1998  
22 through December 31, 2005:

23 (a) In the case of a single person or a married person filing  
24 separately:

25	<u>If taxable income is:</u>	<u>The tax is:</u>
26	\$0 - \$10,000	2.87% of taxable income
27	\$10,001 - \$25,000	\$287, plus 3.20% of the excess over \$10,000
28	\$25,001 - \$50,000	\$767, plus 3.74% of the excess over \$25,000
29	\$50,001 - \$150,000	\$1,702, plus 4.72% of the excess over \$50,000
30	\$150,001 and over	\$6,422, plus 5.04% of the excess over \$150,000

31 (b) In the case of a married couple filing a joint return or a single  
32 person who is a head of a household:

<u>If taxable income is:</u>	<u>The tax is:</u>
\$0 - \$20,000	2.87% of taxable income
\$20,001 - \$50,000	\$574, plus 3.20% of the excess over \$20,000
\$50,001 - \$100,000	\$1,534, plus 3.74% of the excess over \$50,000
\$100,001 - \$300,000	\$3,404, plus 4.72% of the excess over \$100,000
\$300,001 and over	\$12,844, plus 5.04% of the excess over \$300,000

4. For taxable years beginning from and after December 31, 2005 through December 31, 2006:

(a) In the case of a single person or a married person filing separately:

<u>If taxable income is:</u>	<u>The tax is:</u>
\$0 - \$10,000	2.73% of taxable income
\$10,001 - \$25,000	\$273, plus 3.04% of the excess over \$10,000
\$25,001 - \$50,000	\$729, plus 3.55% of the excess over \$25,000
\$50,001 - \$150,000	\$1,617, plus 4.48% of the excess over \$50,000
\$150,001 and over	\$6,097, plus 4.79% of the excess over \$150,000

(b) In the case of a married couple filing a joint return or a single person who is a head of a household:

<u>If taxable income is:</u>	<u>The tax is:</u>
\$0 - \$20,000	2.73% of taxable income
\$20,001 - \$50,000	\$546, plus 3.04% of the excess over \$20,000
\$50,001 - \$100,000	\$1,458, plus 3.55% of the excess over \$50,000
\$100,001 - \$300,000	\$3,233, plus 4.48% of the excess over \$100,000
\$300,001 and over	\$12,193, plus 4.79% of the excess over \$300,000

5. For taxable years beginning from and after December 31, 2006 THROUGH DECEMBER 31, 2015:

(a) In the case of a single person or a married person filing separately:

<u>If taxable income is:</u>	<u>The tax is:</u>
\$0 - \$10,000	2.59% of taxable income
\$10,001 - \$25,000	\$259, plus 2.88% of the excess over \$10,000
\$25,001 - \$50,000	\$691, plus 3.36% of the excess over \$25,000

1           \$50,001 - \$150,000           \$1,531, plus 4.24% of the excess over \$50,000  
2           \$150,001 and over           \$5,771, plus 4.54% of the excess over \$150,000

3           (b) In the case of a married couple filing a joint return or a single  
4 person who is a head of a household:

5 <u>If taxable income is:</u>	<u>The tax is:</u>
6           \$0 - \$20,000	2.59% of taxable income
7           \$20,001 - \$50,000	\$518, plus 2.88% of the excess over \$20,000
8           \$50,001 - \$100,000	\$1,382, plus 3.36% of the excess over \$50,000
9           \$100,001 - \$300,000	\$3,062, plus 4.24% of the excess over \$100,000
10          \$300,001 and over	\$11,542, plus 4.54% of the excess over \$300,000

11           6. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2015, IN  
12 THE CASE OF:

13           (a) A SINGLE PERSON OR A MARRIED PERSON FILING SEPARATELY, THE TAX IS  
14 TWO AND ONE-HALF PER CENT OF THE AMOUNT OF TAXABLE INCOME IN EXCESS OF  
15 FIFTEEN THOUSAND DOLLARS.

16           (b) A MARRIED COUPLE FILING A JOINT RETURN OR A SINGLE PERSON WHO IS A  
17 HEAD OF A HOUSEHOLD, THE TAX IS TWO AND ONE-HALF PER CENT OF THE AMOUNT OF  
18 TAXABLE INCOME IN EXCESS OF THIRTY THOUSAND DOLLARS.

19           Sec. 19. Section 43-1022, Arizona Revised Statutes, is amended to  
20 read:

21           43-1022. Subtractions from Arizona gross income

22           In computing Arizona adjusted gross income, the following amounts shall  
23 be subtracted from Arizona gross income UP TO AN AGGREGATE AMOUNT EQUAL TO NO  
24 MORE THAN TWENTY-FIVE PER CENT OF ARIZONA GROSS INCOME BEFORE ANY  
25 SUBTRACTIONS UNDER THIS SECTION:

- 26           1. The amount of exemptions allowed by section 43-1023.
- 27           2. Benefits, annuities and pensions in an amount totaling not more  
28 than two thousand five hundred dollars received from one or more of the  
29 following:

30           (a) The United States government service retirement and disability  
31 fund, retired or retainer pay of the uniformed services of the United States,

1 the United States foreign service retirement and disability system and any  
2 other retirement system or plan established by federal law.

3 (b) The Arizona state retirement system, the corrections officer  
4 retirement plan, the public safety personnel retirement system, the elected  
5 officials' retirement plan, an optional retirement program established by the  
6 Arizona board of regents under section 15-1628, an optional retirement  
7 program established by a community college district board under section  
8 15-1451 or a retirement plan established for employees of a county, city or  
9 town in this state.

10 3. A beneficiary's share of the fiduciary adjustment to the extent  
11 that the amount determined by section 43-1333 decreases the beneficiary's  
12 Arizona gross income.

13 4. The amount of any distributions from an individual retirement  
14 account as provided for in section 408 of the internal revenue code or from a  
15 qualified retirement plan of a self-employed individual as provided for in  
16 section 401 of the internal revenue code to the extent that total adjustments  
17 made pursuant to this paragraph in all tax years do not exceed the total of  
18 all contributions made by the taxpayer to such plans before December 31,  
19 1975, which were included in computing Arizona taxable income.

20 5. The amount of income on an installment receivable that is  
21 recognized pursuant to the internal revenue code and that has already been  
22 recognized on the death of the taxpayer for purposes of this title for tax  
23 years ending before January 1, 1990.

24 6. Interest income received on obligations of the United States, less  
25 any interest on indebtedness, or other related expenses, and deducted in  
26 arriving at Arizona gross income, which were incurred or continued to  
27 purchase or carry such obligations.

28 7. The amount of any income tax refunds that were received from states  
29 other than Arizona and that were included as income in computing federal  
30 adjusted gross income.

1           8. Annuity income included in federal adjusted gross income pursuant  
2 to section 72 of the internal revenue code if the first payment with respect  
3 to such annuity was received before December 31, 1978.

4           9. The excess of a partner's share of income required to be included  
5 under section 702(a)(8) of the internal revenue code over the income required  
6 to be included under chapter 14, article 2 of this title.

7           10. The excess of a partner's share of partnership losses determined  
8 pursuant to chapter 14, article 2 of this title over the losses allowable  
9 under section 702(a)(8) of the internal revenue code.

10           11. The amount by which the adjusted basis of property described in  
11 this paragraph and computed pursuant to this title and the income tax act of  
12 1954, as amended, exceeds the adjusted basis of such property computed  
13 pursuant to the internal revenue code. This paragraph shall apply to all  
14 property that is held for the production of income and that is sold or  
15 otherwise disposed of during the taxable year other than depreciable property  
16 used in a trade or business.

17           12. The amount allowed by section 43-1024 for amortization, by a  
18 qualified defense contractor certified by the Arizona commerce authority  
19 under section 41-1508, of a capital investment for private commercial  
20 activities.

21           13. The amount of gain included in federal adjusted gross income on the  
22 sale or other disposition of a capital investment that a qualified defense  
23 contractor has elected to amortize pursuant to section 43-1024.

24           14. The amount allowed by section 43-1025 for contributions during the  
25 taxable year of agricultural crops to charitable organizations.

26           15. The portion of any wages or salaries paid or incurred by the  
27 taxpayer for the taxable year that is equal to the amount of the federal work  
28 opportunity credit, the empowerment zone employment credit, the credit for  
29 employer paid social security taxes on employee cash tips and the Indian  
30 employment credit that the taxpayer received under sections 45A, 45B, 51(a)  
31 and 1396 of the internal revenue code.

1           16. The amount of prizes or winnings less than five thousand dollars in  
2 a single taxable year from any of the state lotteries established and  
3 operated pursuant to title 5, chapter 5.1, article 1, except that all such  
4 winnings before March 22, 1983, including periodic distributions from such  
5 winnings made after March 22, 1983, may be subtracted.

6           17. The amount of exploration expenses that is determined pursuant to  
7 section 617 of the internal revenue code, that has been deferred in a taxable  
8 year ending before January 1, 1990 and for which a subtraction has not  
9 previously been made. The subtraction shall be made on a ratable basis as  
10 the units of produced ores or minerals discovered or explored as a result of  
11 this exploration are sold.

12           18. The amount included in federal adjusted gross income pursuant to  
13 section 86 of the internal revenue code, relating to taxation of social  
14 security and railroad retirement benefits.

15           19. To the extent not already excluded from Arizona gross income under  
16 the internal revenue code, compensation received for active service as a  
17 member of the reserves, the national guard or the armed forces of the United  
18 States, including compensation for service in a combat zone as determined  
19 under section 112 of the internal revenue code.

20           20. The amount of unreimbursed medical and hospital costs, adoption  
21 counseling, legal and agency fees and other nonrecurring costs of adoption  
22 not to exceed three thousand dollars. In the case of a husband and wife who  
23 file separate returns, the subtraction may be taken by either taxpayer or may  
24 be divided between them, but the total subtractions allowed both husband and  
25 wife shall not exceed three thousand dollars. The subtraction under this  
26 paragraph may be taken for the costs that are described in this paragraph and  
27 that are incurred in prior years, but the subtraction may be taken only in  
28 the year during which the final adoption order is granted.

29           21. The amount authorized by section 43-1027 for the taxable year  
30 relating to qualified wood stoves, wood fireplaces or gas fired fireplaces.

31           22. With respect to a medical savings account established pursuant to  
32 section 43-1028:

1 (a) An eligible individual may subtract:

2 (i) The amount of contributions made by the individual's employer  
3 during the taxable year to the individual's medical savings account pursuant  
4 to section 43-1028 to the extent that the employer contributions are included  
5 in the individual's federal adjusted gross income.

6 (ii) The amount deposited by the individual in the account during the  
7 taxable year to the extent that the individual's contributions are included  
8 in the individual's federal adjusted gross income.

9 (b) The individual's employer may subtract the amount of contributions  
10 made by the employer to a medical savings account established on the  
11 individual's behalf to the extent that the contributions are not deductible  
12 under the internal revenue code.

13 23. The amount by which a net operating loss carryover or capital loss  
14 carryover allowable pursuant to section 43-1029, subsection F exceeds the net  
15 operating loss carryover or capital loss carryover allowable pursuant to  
16 section 1341(b)(5) of the internal revenue code.

17 24. Any amount of qualified educational expenses that is distributed  
18 from a qualified state tuition program determined pursuant to section 529 of  
19 the internal revenue code and that is included in income in computing federal  
20 adjusted gross income.

21 25. Any item of income resulting from an installment sale that has been  
22 properly subjected to income tax in another state in a previous taxable year  
23 and that is included in Arizona gross income in the current taxable year.

24 26. The amount authorized by section 43-1030 relating to holocaust  
25 survivors.

26 27. For property placed in service:

27 (a) In taxable years beginning before December 31, 2012, an amount  
28 equal to the depreciation allowable pursuant to section 167(a) of the  
29 internal revenue code for the taxable year computed as if the election  
30 described in section 168(k)(2)(D)(iii) of the internal revenue code had been  
31 made for each applicable class of property in the year the property was  
32 placed in service.



1 (b) In taxable years beginning from and after December 31, 2012  
2 through December 31, 2013, an amount determined in the year the asset was  
3 placed in service based on the calculation in subdivision (a) of this  
4 paragraph. In the first taxable year beginning from and after December 31,  
5 2013, the taxpayer may elect to subtract the amount necessary to make the  
6 depreciation claimed to date for the purposes of this title the same as it  
7 would have been if subdivision (c) of this paragraph had applied for the  
8 entire time the asset was in service. Subdivision (c) of this paragraph  
9 applies for the remainder of the asset's life. If the taxpayer does not make  
10 the election under this subdivision, subdivision (a) of this paragraph  
11 applies for the remainder of the asset's life.

12 (c) In taxable years beginning from and after December 31, 2013, an  
13 amount equal to the depreciation allowable pursuant to section 167(a) of the  
14 internal revenue code for the taxable year as computed as if the additional  
15 allowance for depreciation had been ten per cent of the amount allowed  
16 pursuant to section 168(k) of the internal revenue code.

17 28. With respect to property that is sold or otherwise disposed of  
18 during the taxable year by a taxpayer that complied with section 43-1021,  
19 paragraph 25 with respect to that property, the amount of depreciation that  
20 has been allowed pursuant to section 167(a) of the internal revenue code to  
21 the extent that the amount has not already reduced Arizona taxable income in  
22 the current or prior taxable years.

23 29. With respect to property for which an adjustment was made under  
24 section 43-1021, paragraph 26, an amount equal to one-fifth of the amount of  
25 the adjustment pursuant to section 43-1021, paragraph 26 in the year in which  
26 the amount was adjusted under section 43-1021, paragraph 26 and in each of  
27 the following four years.

28 30. The amount contributed during the taxable year to college savings  
29 plans established pursuant to section 529 of the internal revenue code to the  
30 extent that the contributions were not deducted in computing federal adjusted  
31 gross income. The amount subtracted shall not exceed:

1           (a) Two thousand dollars for a single individual or a head of  
2 household.

3           (b) Four thousand dollars for a married couple filing a joint  
4 return. In the case of a husband and wife who file separate returns, the  
5 subtraction may be taken by either taxpayer or may be divided between them,  
6 but the total subtractions allowed both husband and wife shall not exceed  
7 four thousand dollars.

8           31. The amount of any original issue discount that was deferred and not  
9 allowed to be deducted in computing federal adjusted gross income or federal  
10 taxable income in the current taxable year pursuant to section 108(i) of the  
11 internal revenue code as added by section 1231 of the American recovery and  
12 reinvestment act of 2009 (P.L. 111-5).

13           32. The amount of previously deferred discharge of indebtedness income  
14 that is included in the computation of federal adjusted gross income or  
15 federal taxable income in the current taxable year pursuant to section 108(i)  
16 of the internal revenue code as added by section 1231 of the American  
17 recovery and reinvestment act of 2009 (P.L. 111-5), to the extent that the  
18 amount was previously added to Arizona gross income pursuant to section  
19 43-1021, paragraph 31.

20           33. The portion of the net operating loss carryforward that would have  
21 been allowed as a deduction in the current year pursuant to section 172 of  
22 the internal revenue code if the election described in section 172(b)(1)(H)  
23 of the internal revenue code had not been made in the year of the loss that  
24 exceeds the actual net operating loss carryforward that was deducted in  
25 arriving at federal adjusted gross income. This subtraction only applies to  
26 taxpayers who made an election under section 172(b)(1)(H) of the internal  
27 revenue code as amended by section 1211 of the American recovery and  
28 reinvestment act of 2009 (P.L. 111-5) or as amended by section 13 of the  
29 worker, homeownership, and business assistance act of 2009 (P.L. 111-92).

30           34. For taxable years beginning from and after December 31, 2013, the  
31 amount of any net capital gain included in federal adjusted gross income for

1 the taxable year derived from investment in a qualified small business as  
2 determined by the Arizona commerce authority pursuant to section 41-1518.

3 35. An amount of any net long-term capital gain included in federal  
4 adjusted gross income for the taxable year that is derived from an investment  
5 in an asset acquired after December 31, 2011, as follows:

6 (a) For taxable years beginning from and after December 31, 2012  
7 through December 31, 2013, ten per cent of the net long-term capital gain  
8 included in federal adjusted gross income.

9 (b) For taxable years beginning from and after December 31, 2013  
10 through December 31, 2014, twenty per cent of the net long-term capital gain  
11 included in federal adjusted gross income.

12 (c) For taxable years beginning from and after December 31, 2014,  
13 twenty-five per cent of the net long-term capital gain included in federal  
14 adjusted gross income.

15 For the purposes of this paragraph, a transferee that receives an asset by  
16 gift or at the death of a transferor is considered to have acquired the asset  
17 when the asset was acquired by the transferor. If the date an asset is  
18 acquired cannot be verified, a subtraction under this paragraph is not  
19 allowed.

20 36. If an individual is not claiming itemized deductions pursuant to  
21 section 43-1042, the amount of premium costs for long-term care insurance, as  
22 defined in section 20-1691.

23 37. With respect to a long-term health care savings account established  
24 pursuant to section 43-1032, the amount deposited by the taxpayer in the  
25 account during the taxable year to the extent that the taxpayer's  
26 contributions are included in the taxpayer's federal adjusted gross income.

27 Sec. 20. Section 43-1111, Arizona Revised Statutes, is amended to  
28 read:

29 43-1111. Tax rates for corporations

30 There shall be levied, collected and paid for each taxable year upon  
31 the entire Arizona taxable income of every corporation, unless exempt under

1 section 43-1126 or 43-1201 or as otherwise provided in this title or by law,  
2 taxes in an amount of the greater of fifty dollars or:

3 1. For taxable years beginning through December 31, 2013, 6.968 per  
4 cent of net income.

5 2. For taxable years beginning from and after December 31, 2013  
6 through December 31, 2014, 6.5 per cent of net income.

7 3. For taxable years beginning from and after December 31, 2014  
8 through December 31, 2015, 6.0 per cent of net income.

9 4. For taxable years beginning from and after December 31, 2015,  
10 ~~through December 31, 2016 5.5~~ 2.5 per cent of net income.

11 ~~5. For taxable years beginning from and after December 31, 2016, 4.9~~  
12 ~~per cent of net income.~~

13 Sec. 21. Section 43-1122, Arizona Revised Statutes, is amended to  
14 read:

15 43-1122. Subtractions from Arizona gross income; corporations

16 In computing Arizona taxable income for a corporation, the following  
17 amounts shall be subtracted from Arizona gross income UP TO AN AGGREGATE  
18 AMOUNT EQUAL TO NO MORE THAN TWENTY-FIVE PER CENT OF ARIZONA GROSS INCOME  
19 BEFORE ANY SUBTRACTIONS UNDER THIS SECTION:

20 1. The amounts computed pursuant to section 43-1022, paragraphs 8  
21 through 15, 27, 28, ~~30 and~~ 29, 31 AND 32. For the purposes of this  
22 paragraph, "federal adjusted gross income" as used in section 43-1022 means  
23 "federal taxable income".

24 2. The amount of Arizona capital loss carryover as defined in section  
25 43-1124 in an amount not to exceed one thousand dollars.

26 3. With respect to a financial institution as defined in section  
27 6-101, expenses and interest relating to tax-exempt income disallowed  
28 pursuant to section 265 of the internal revenue code.

29 4. Dividends received from another corporation owned or controlled  
30 directly or indirectly by a recipient corporation. For the purposes of this  
31 paragraph, "control" means direct or indirect ownership or control of fifty  
32 per cent or more of the voting stock of the payor corporation by the

1 recipient corporation. Dividends shall have the meaning provided in section  
2 316 of the internal revenue code. This subtraction shall apply without  
3 regard to section 43-961, paragraph 2 and article 4 of this chapter. A  
4 corporation that has its commercial domicile, as defined in section 43-1131,  
5 in this state may subtract the full amount of the dividends. A corporation  
6 that does not have its commercial domicile in this state may subtract:

7 (a) For its taxable year beginning in 1990, an amount equal to  
8 one-half of the dividends.

9 (b) For taxable years beginning in 1991 and thereafter, the full  
10 amount of the dividends.

11 5. Interest income received on obligations of the United States.

12 6. The amount of dividend income from foreign corporations.

13 7. The amount of net operating loss allowed by section 43-1123.

14 8. The amount of any state income tax refunds received which were  
15 included as income in computing federal taxable income.

16 9. The amount of expense recapture included in income pursuant to  
17 section 617 of the internal revenue code for mine exploration expenses.

18 10. The amount of deferred exploration expenses allowed by section  
19 43-1127.

20 11. The amount of exploration expenses related to the exploration of  
21 oil, gas or geothermal resources, computed in the same manner and on the same  
22 basis as a deduction for mine exploration pursuant to section 617 of the  
23 internal revenue code. This computation is subject to the adjustments  
24 contained in section 43-1121, paragraph 8 and paragraphs 9 and 10 of this  
25 section relating to exploration expenses.

26 12. The amortization of pollution control devices allowed by section  
27 43-1129.

28 13. The amount of amortization of the cost of child care facilities  
29 pursuant to section 43-1130.

30 14. The amount of income from a domestic international sales  
31 corporation required to be included in the income of its shareholders  
32 pursuant to section 995 of the internal revenue code.

1           15. The income of an insurance company that is exempt under section  
2 43-1201 to the extent that it is included in computing Arizona gross income  
3 on a consolidated return pursuant to section 43-947.

4           16. The amount of contributions by the taxpayer during the taxable year  
5 to medical savings accounts established on behalf of the taxpayer's employees  
6 as provided by section 43-1028, to the extent that the contributions are not  
7 deductible under the internal revenue code.

8           17. The amount by which a capital loss carryover allowable pursuant to  
9 section 43-1130.01, subsection F exceeds the capital loss carryover allowable  
10 pursuant to section 1341(b)(5) of the internal revenue code.

11           18. An amount equal to the depreciation allowable pursuant to section  
12 167(a) of the internal revenue code for the taxable year computed as if the  
13 election described in section 168(k)(2)(D)(iii) of the internal revenue code  
14 had been made for each applicable class of property in the year the property  
15 was placed in service.

16           Sec. 22. Single income tax rate legislative study committee:  
17                                   membership; duties; report; delayed repeal

18           A. The single income tax rate legislative study committee is  
19 established consisting of the following members:

20           1. Five members of the senate who are appointed by the president of  
21 the senate.

22           2. Five members of the house of representatives who are appointed by  
23 the speaker of the house of representatives.

24           3. Five members who are appointed by the governor.

25           B. The study committee shall:

26           1. Study and make findings and conclusions and develop recommendations  
27 for the implementation of the single income tax rate for individuals and  
28 corporations in a revenue neutral manner.

29           2. Meet at least once each month. All meetings of the study committee  
30 are open to the public.

31           3. Submit a report of the study committee's findings, conclusions and  
32 recommendations to the governor, the president of the senate and the speaker

1 of the house of representatives not later than September 30, 2015. The study  
2 committee shall provide a copy of the report to the secretary of state.

3 C. On the request of the study committee, an agency of this state  
4 shall provide its services, equipment, documents, personnel and facilities to  
5 the committee to the extent possible without cost to the committee.

6 D. The senate and the house of representatives shall provide staff and  
7 support services to the study committee.

8 E. Members of the study committee are not eligible to receive  
9 compensation but are eligible for reimbursement of expenses pursuant to title  
10 38, chapter 4, article 2, Arizona Revised Statutes.

11 F. If the study committee's report fails to make legislative  
12 recommendations that allow for the revenue neutral implementation of the  
13 single income tax rate for individuals and corporations, the study committee  
14 shall propose legislation expanding the transaction privilege tax base to  
15 produce additional transaction privilege tax revenue to offset the projected  
16 loss of revenue resulting from the single income tax rate.

17 G. This section is repealed from and after December 31, 2015."

18 Amend title to conform

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JEFF DIAL

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03/21/2014  
5:26 PM  
C: lrh