

COMMITTEE ON APPROPRIATIONS
SENATE AMENDMENTS TO H.B. 2007
(Reference to House engrossed bill)

1 Page 9, after line 45, insert:

2 "Sec. 5. Repeal

3 Section 15-994, Arizona Revised Statutes, is repealed."

4 Renumber to conform

5 Page 15, between lines 37 and 38, insert:

6 "Sec. 8. Section 41-1276, Arizona Revised Statutes, is amended to
7 read:

8 41-1276. Truth in taxation levy for equalization assistance to
9 school districts

10 A. On or before February 15 of each year, the joint legislative budget
11 committee shall compute and transmit the truth in taxation rates for
12 equalization assistance for school districts for the following fiscal year
13 to:

14 1. The chairmen of the house of representatives ways and means
15 committee and the senate finance committee or their successor committees.

16 2. The chairmen of the appropriations committees of the senate and the
17 house of representatives or their successor committees.

18 B. The truth in taxation rates consist of the qualifying tax rate for
19 a high school district or a common school district within a high school
20 district that does not offer instruction in high school subjects pursuant to
21 section 15-971, subsection B, paragraph 1, ~~AND~~ a qualifying tax rate for a
22 unified district, a common school district not within a high school district
23 or a common school district within a high school district that offers
24 instruction in high school subjects pursuant to section 15-971, subsection B,
25 paragraph 2 ~~and a state equalization assistance property tax rate pursuant to~~
26 ~~section 15-994~~ that will offset the change in net assessed valuation of
27 property that was subject to tax in the prior year.

28 C. The joint legislative budget committee shall compute the truth in
29 taxation rates as follows:

1 1. Determine the statewide primary net assessed value for the
2 preceding tax year as provided in section 42-17151, subsection A,
3 paragraph 3.

4 2. Determine the statewide primary net assessed value for the current
5 tax year, excluding the net assessed value of property that was not subject
6 to tax in the preceding year.

7 3. Divide the amount determined in paragraph 1 of this subsection by
8 the amount determined in paragraph 2 of this subsection.

9 4. Adjust the qualifying tax rates ~~and the state equalization~~
10 ~~assistance property tax rate~~ for the current fiscal year by the percentage
11 determined in paragraph 3 of this subsection in order to offset the change in
12 net assessed value.

13 D. Except as provided in subsections E and G of this section, the
14 qualifying tax rate for a high school district or a common school district
15 within a high school district that does not offer instruction in high school
16 subjects, ~~AND~~ the qualifying tax rate for a unified school district, a
17 common school district not within a high school district or a common school
18 district within a high school district that offers instruction in high school
19 subjects ~~and the state equalization assistance property tax rate~~ for the
20 following fiscal year shall be the rate determined by the joint legislative
21 budget committee pursuant to subsection C of this section. The committee
22 shall transmit the rates to the superintendent of public instruction and the
23 county boards of supervisors by March 15 each year.

24 E. If the legislature proposes ~~either~~ qualifying tax rates ~~or a state~~
25 ~~equalization assistance property tax rate~~ that ~~exceeds~~ EXCEED the truth in
26 taxation rate:

27 1. The house of representatives ways and means committee and the
28 senate finance committee or their successor committees shall hold a joint
29 hearing on or before February 28 and publish a notice of a truth in taxation
30 hearing that meets the following requirements:

31 (a) The notice shall be published twice in a newspaper of general
32 circulation in this state that is published at the state capital. The first

1 publication shall be at least fourteen but not more than twenty days before
2 the date of the hearing. The second publication shall be at least seven but
3 not more than ten days before the date of the hearing.

4 (b) The notice shall be published in a location other than the
5 classified or legal advertising section of the newspaper.

6 (c) The notice shall be at least one-fourth page in size and shall be
7 surrounded by a solid black border at least one-eighth inch in width.

8 (d) The notice shall be in the following form, with the "truth in
9 taxation hearing - notice of tax increase" headline in at least eighteen
10 point type:

11 Truth in Taxation Hearing

12 Notice of Tax Increase

13 In compliance with section 41-1276, Arizona Revised
14 Statutes, the state legislature is notifying property taxpayers
15 in Arizona of the legislature's intention to raise the property
16 tax levy over last year's level.

17 The proposed tax increase will cause the taxes on a
18 \$100,000 home to increase by \$_____.

19 All interested citizens are invited to attend a public
20 hearing on the tax increase that is scheduled to be held
21 _____ (date and time) at _____ (location).

22 (e) For purposes of computing the tax increase on a one hundred
23 thousand dollar home as required by the notice, the joint meeting of the
24 house of representatives ways and means committee and the senate finance
25 committee or their successor committees shall consider the difference between
26 the truth in taxation rate and the proposed increased rate.

27 2. The joint meeting of the house of representatives ways and means
28 committee and the senate finance committee or their successor committees
29 shall consider any motion to recommend the proposed tax rates to the full
30 legislature by roll call vote.

31 F. In addition to publishing the truth in taxation notice under
32 subsection E, paragraph 1 of this section, the joint meeting of the house of

1 representatives ways and means committee and the senate finance committee or
2 their successor committees shall issue a press release containing the truth
3 in taxation notice.

4 G. Notwithstanding any other law, the legislature shall not adopt a
5 state budget that provides for ~~either~~ qualifying tax rates pursuant to
6 section 15-971 ~~or a state equalization assistance property tax rate pursuant~~
7 ~~to section 15-994~~ that ~~exceeds~~ EXCEED the truth in taxation rates computed
8 pursuant to subsection A of this section unless the rates are adopted by a
9 concurrent resolution approved by an affirmative roll call vote of two-thirds
10 of the members of each house of the legislature before the legislature enacts
11 the general appropriations bill. If the resolution is not approved by
12 two-thirds of the members of each house of the legislature, the rates for the
13 following fiscal year shall be the truth in taxation rates determined
14 pursuant to subsection C of this section and shall be transmitted to the
15 superintendent of public instruction and the county boards of supervisors.

16 H. Notwithstanding subsection C of this section and if approved by the
17 qualified electors voting at a statewide general election, the legislature
18 shall not set a qualifying tax rate that exceeds \$2.1265 for a common or high
19 school district or \$4.253 for a unified school district. The legislature
20 shall not set a county equalization assistance for education rate that
21 exceeds \$0.5123.

22 I. Pursuant to subsection C of this section, the qualifying tax rate
23 in tax year ~~2008~~ 2009 for a high school district or a common school district
24 within a high school district that does not offer instruction in high school
25 subjects as provided in section 15-447 is ~~\$1.4622~~ \$1.3726 and for a unified
26 school district, a common school district not within a high school district
27 or a common school district within a high school district that offers
28 instruction in high school subjects as provided in section 15-447 is ~~\$2.9244~~
29 \$2.7452. ~~The state equalization assistance property tax rate in tax years~~
30 ~~2006, 2007 and 2008 is zero. The state equalization assistance property tax~~
31 ~~rate in tax year 2009 shall be computed by annually adjusting the tax year~~
32 ~~2005 rate of \$0.4358 as provided by this section through tax year 2009."~~

1 Renumber to conform

2 Page 19, between lines 20 and 21, insert:

3 "Sec. 14. Section 43-1011, Arizona Revised Statutes, is amended to
4 read:

5 43-1011. Taxes and tax rates

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

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

12 (a) In the case of a single person or a married person filing
13 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

20 (b) In the case of a married couple filing a joint return or a single
21 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
\$100,001 - \$300,000	\$3,520, plus 4.80% of the excess over \$100,000
\$300,001 and over	\$13,120, plus 5.17% of the excess over \$300,000

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

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

<u>If taxable income is:</u>	<u>The tax is:</u>
\$0 - \$10,000	2.88% of taxable income
\$10,001 - \$25,000	\$288, plus 3.24% of the excess over \$10,000
\$25,001 - \$50,000	\$774, plus 3.82% of the excess over \$25,000
\$50,001 - \$150,000	\$1,729, plus 4.74% of the excess over \$50,000
\$150,001 and over	\$6,469, plus 5.10% 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	2.88% of taxable income
\$20,001 - \$50,000	\$576, plus 3.24% of the excess over \$20,000
\$50,001 - \$100,000	\$1,548, plus 3.82% of the excess over \$50,000
\$100,001 - \$300,000	\$3,458, plus 4.74% of the excess over \$100,000
\$300,001 and over	\$12,938, plus 5.10% of the excess over \$300,000

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

(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	2.87% of taxable income
\$10,001 - \$25,000	\$287, plus 3.20% of the excess over \$10,000
\$25,001 - \$50,000	\$767, plus 3.74% of the excess over \$25,000
\$50,001 - \$150,000	\$1,702, plus 4.72% of the excess over \$50,000
\$150,001 and over	\$6,422, plus 5.04% 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	2.87% 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

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

3 (a) In the case of a single person or a married person filing
4 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

11 (b) In the case of a married couple filing a joint return or a single
12 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

19 5. For taxable years beginning from and after December 31, 2006
20 **THROUGH DECEMBER 31, 2010:**

21 (a) In the case of a single person or a married person filing
22 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
\$50,001 - \$150,000	\$1,531, plus 4.24% of the excess over \$50,000
\$150,001 and over	\$5,771, plus 4.54% of the excess over \$150,000

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

<u>If taxable income is:</u>	<u>The tax is:</u>
\$0 - \$20,000	2.59% of taxable income

1	\$20,001 - \$50,000	\$518, plus 2.88% of the excess over \$20,000
2	\$50,001 - \$100,000	\$1,382, plus 3.36% of the excess over \$50,000
3	\$100,001 - \$300,000	\$3,062, plus 4.24% of the excess over \$100,000
4	\$300,001 and over	\$11,542, plus 4.54% of the excess over \$300,000

6. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2010:

(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	2.42% OF TAXABLE INCOME
\$10,001 - \$25,000	\$242, PLUS 2.69% OF THE EXCESS OVER \$10,000
\$25,001 - \$50,000	\$645, PLUS 3.14% OF THE EXCESS OVER \$25,000
\$50,001 - \$150,000	\$1,430, PLUS 3.96% OF THE EXCESS OVER \$50,000
\$150,001 AND OVER	\$5,390, PLUS 4.24% 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	2.42% OF TAXABLE INCOME
\$20,001 - \$50,000	\$484, PLUS 2.69% OF THE EXCESS OVER \$20,000
\$50,001 - \$100,000	\$1,290, PLUS 3.14% OF THE EXCESS OVER \$50,000
\$100,001 - \$300,000	\$2,860, PLUS 3.96% OF THE EXCESS OVER \$100,000
\$300,001 and over	\$10,780, plus 4.24% of the excess over \$300,000"

Renumber to conform

Page 19, between lines 31 and 32, insert:

"Sec. 16. Section 43-1111, Arizona Revised Statutes, is amended to read:

43-1111. Tax rates for corporations

There shall be levied, collected and paid for each taxable year upon the entire Arizona taxable income of every corporation, unless exempt under section 43-1126 or 43-1201 or as otherwise provided in this title or by law, taxes in an amount of ~~6.968 per cent of net income or fifty dollars, whichever is greater.~~ THE GREATER OF FIFTY DOLLARS OR:

1 1. FOR TAXABLE YEARS THROUGH DECEMBER 31, 2010, 6.968 PER CENT OF NET
2 INCOME.

3 2. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2010, 4.86
4 PER CENT OF NET INCOME."

5 Renumber to conform

6 Page 35, line 38, strike "22" insert "26"

7 Page 37, line 16, strike "22" insert "26"

8 Page 39, line 21, strike "28" insert "32"

9 Line 42, strike "35" insert "39"

10 After line 44, insert:

11 "C. Section 5 of this act and section 41-1276, Arizona Revised
12 Statutes, as amended by this act, apply retroactively to from and after
13 December 31, 2008.

14 Sec. 45. Conditional enactment

15 Sections 5, 8, 14 and 16 of this act do not become effective until the
16 canvass for the special election authorized in House Bill 2015, forty-ninth
17 legislature, third special session, occurs for both ballot propositions. If
18 a contest is filed pursuant to section 16-672, Arizona Revised Statutes,
19 sections 5, 8, 14 and 16 of this act do not become effective unless the
20 contest results in the special election being upheld."

21 Amend title to conform

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