

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1331

(Reference to Senate engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 42-6053, Arizona Revised Statutes, is amended to
3 read:

4 42-6053. Official copy of model city tax code: review and
5 comment on proposed changes

6 A. The department of revenue shall:

- 7 1. Maintain the official copy of the model city tax code.
8 2. Post the official copy on the department's official website.

9 B. At least sixty days before adopting any modification or amendment
10 of the model city tax code a city or town shall submit the proposed
11 modification or amendment to the municipal tax code commission for review and
12 recommendation.

13 C. The commission shall review and comment on language submitted by
14 any city, town or taxpayer for the purpose of describing, defining, deleting,
15 adding or otherwise modifying taxable activities, exemptions, administrative
16 procedures or regulations relating to the model city tax code. The
17 commission may hold public hearings within thirty days after receiving a
18 proposed amendment or modification for the purpose of reviewing and receiving
19 comments on the proposed changes, shall consider any information and
20 testimony presented at the hearing, may require changes to the language
21 presented at the hearing and may require changes to the language presented by
22 the city or town or taxpayer. All changes to the model city tax code must be
23 reflected in the official copy on file with the department of revenue within
24 ten days after the commission's approval. **ANY CHANGES NOT REFLECTED IN THE**
25 **OFFICIAL COPY ON FILE WITH THE DEPARTMENT OF REVENUE ARE VOID AND HAVE NO**
26 **EFFECT.**

27 D. Changes to the model city tax code approved by the commission shall
28 be adopted by all cities and towns. This requirement shall not be construed
29 to prohibit the commission from recommending a model or local option or
30 changes to a model or local option contained in the model city tax code to be

1 adopted only by those cities and towns choosing the option or from approving
2 a change submitted by a city or town that does not apply to any other city or
3 town. The city or town shall not adopt a modification or amendment of any
4 provision of the model city tax code unless it has been approved by the
5 commission.

6 E. Changes in rates of tax are not subject to review, but within ten
7 days after passage of the ordinance imposing a rate change:

8 1. The city or town imposing a new or different tax rate shall notify
9 the commission and the department of revenue. FOR PURPOSES OF THIS SUBSECTION
10 A "NEW OR DIFFERENT TAX RATE" MEANS THE ADOPTION OR REPEAL OF A MODEL OR
11 LOCAL OPTION OR ANY CHANGE THAT INCREASES THE AMOUNT OF TAX A TAXPAYER MUST
12 PAY TO A CITY OR TOWN. FAILURE OF A CITY OR TOWN TO NOTIFY THE COMMISSION
13 AND, BEGINNING JULY 1, 2012, THE DEPARTMENT OF REVENUE RENDERS THE NEW OR
14 DIFFERENT TAX RATE VOID AND HAS NO EFFECT.

15 2. The change must be reflected in the official copy of the model city
16 tax code. ANY CHANGE NOT REFLECTED IN THE OFFICIAL COPY OF THE MODEL CITY TAX
17 CODE IS VOID AND HAS NO EFFECT.

18 Sec. 2. Declaration of intent

19 It is the intent of the legislature in amending the provisions of
20 section 42-6053, Arizona Revised Statutes, as specified in this act to
21 clarify that a tax rate change subject to the notice requirement of section
22 42-5063(E)(1), Arizona Revised Statutes, includes the adoption of a model or
23 local option or any change that increases the amount of tax a taxpayer must
24 pay to a city or town and that the failure of a city or town to report such a
25 change to the municipal tax code commission or, for periods beginning July 1,
26 2012, to the Arizona department of revenue renders such a change invalid.

27 Sec. 3. Retroactivity; refund

28 A. Section 42-6053, Arizona Revised Statutes, as amended by this act,
29 applies retroactively to taxable periods beginning from and after July 1,
30 1988.

31 B. Any claim for refund of transaction privilege tax paid based on the
32 retroactive application of section 42-6053, Arizona Revised Statutes, as

1 amended by this act, must be submitted pursuant to section 42-1118, Arizona
2 Revised Statutes, to the department of revenue or the appropriate city on or
3 before December 31, 2014. Failure to file a claim on or before December 31,
4 2014 constitutes a waiver of the claim for refund under this section.

5 C. The burden is on the taxpayer to establish by competent evidence
6 the amount of any such refund claim. The department of revenue shall:

7 1. Review all timely filed claims.

8 2. Determine, on audit if necessary, the correct amount of each claim.

9 3. Notify the taxpayer of its determination. The notice is final
10 unless the taxpayer appeals in the manner provided in section 42-1119,
11 Arizona Revised Statutes.

12 D. Notwithstanding section 42-1119, Arizona Revised Statutes, the
13 department of revenue or appropriate city shall not make a refund until after
14 the determination of the amount of all refund claims filed pursuant to this
15 section. If a taxpayer appeals the department's determination, the department
16 pursuant to the rules protecting confidentiality under title 42, chapter 2,
17 article 1, Arizona Revised Statutes, may notify other taxpayers who have
18 filed claims under this section as to the nature and extent of the delay.

19 E. The total amount of refunds issued under this section shall not be
20 more than ten thousand dollars. If the total amount of refundable claims
21 filed under this section is more than ten thousand dollars, the department
22 shall reduce each claim proportionately so that the total amount of refunds
23 is not more than ten thousand dollars.

24 F. Interest shall not be allowed or compounded on a refund paid before
25 July 1, 2015. Unpaid refund amounts from and after June 30, 2015, shall
26 accrue interest under section 42-1123, Arizona Revised Statutes."

27 Amend title to conform

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3/10/14
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