

PROPOSED AMENDMENT
SENATE AMENDMENTS TO S.B. 1468
(Reference to Printed Bill)

1 Page 1, between lines 1 and 2, insert:

2 "Section 1. Title 41, chapter 10, article 1, Arizona Revised Statutes,
3 is amended by adding section 41-1520, to read:

4 41-1520. International operations center; utility relief;
5 definitions

6 A. FROM AND AFTER JUNE 30, 2015, UTILITY RELIEF IS ALLOWED FOR THE
7 OWNER OR OPERATOR OF AN INTERNATIONAL OPERATIONS CENTER THAT IS CERTIFIED
8 PURSUANT TO THIS SECTION.

9 B. TO QUALIFY FOR THE UTILITY RELIEF, THE OWNER OR OPERATOR MUST
10 SUBMIT TO THE AUTHORITY AN APPLICATION IN A FORM PRESCRIBED BY THE AUTHORITY
11 THAT INCLUDES ALL OF THE FOLLOWING:

12 1. THE OWNER'S OR OPERATOR'S NAME, ADDRESS AND TELEPHONE NUMBER.

13 2. THE ADDRESS OF THE SITE WHERE THE FACILITY IS OR WILL BE LOCATED,
14 INCLUDING, IF APPLICABLE, INFORMATION SUFFICIENT TO IDENTIFY THE SPECIFIC
15 PORTION OR PORTIONS OF THE FACILITY COMPRISING THE INTERNATIONAL OPERATIONS
16 CENTER.

17 C. WITHIN SIXTY DAYS AFTER RECEIVING A COMPLETE AND CORRECT
18 APPLICATION, THE AUTHORITY SHALL REVIEW THE APPLICATION AND EITHER ISSUE A
19 WRITTEN CERTIFICATION THAT THE INTERNATIONAL OPERATIONS CENTER QUALIFIES FOR
20 THE UTILITY RELIEF OR PROVIDE WRITTEN REASONS FOR ITS DENIAL. A FAILURE TO
21 APPROVE OR DENY THE APPLICATION WITHIN SIXTY DAYS AFTER THE DATE OF SUBMITTAL
22 CONSTITUTES CERTIFICATION OF THE INTERNATIONAL OPERATIONS CENTER, AND THE
23 AUTHORITY SHALL ISSUE WRITTEN CERTIFICATION TO THE OWNER OR OPERATOR WITHIN
24 FOURTEEN DAYS. THE AUTHORITY SHALL SEND A COPY OF THE CERTIFICATION TO THE
25 DEPARTMENT OF REVENUE.

1 D. THE OWNER OR OPERATOR OF THE INTERNATIONAL OPERATIONS CENTER MUST
2 ACHIEVE BOTH OF THE FOLLOWING INVESTMENT REQUIREMENTS AFTER TAKING INTO
3 ACCOUNT THE COMBINED INVESTMENTS MADE BY THE OWNER OR OPERATOR:

4 1. A MINIMUM ANNUAL INVESTMENT OF ONE HUNDRED MILLION DOLLARS IN NEW
5 CAPITAL ASSETS, INCLUDING COSTS OF LAND, BUILDINGS AND INTERNATIONAL
6 OPERATIONS CENTER EQUIPMENT IN EACH OF TEN CONSECUTIVE TAXABLE YEARS OF THE
7 OWNER OR OPERATOR. INVESTMENTS GREATER THAN ONE HUNDRED MILLION DOLLARS IN
8 ANY TAXABLE YEAR MAY BE CARRIED FORWARD AS A CREDIT TOWARD THE INVESTMENT
9 REQUIREMENT IN FUTURE YEARS.

10 2. ON OR BEFORE THE TENTH ANNIVERSARY OF CERTIFICATION, A MINIMUM
11 INVESTMENT OF AT LEAST ONE BILLION TWO HUNDRED FIFTY MILLION DOLLARS IN NEW
12 CAPITAL ASSETS, INCLUDING COSTS OF LAND, BUILDINGS AND INTERNATIONAL
13 OPERATIONS CENTER EQUIPMENT.

14 E. WITHIN THIRTY DAYS AFTER THE END OF EACH TAXABLE YEAR FOLLOWING
15 CERTIFICATION, AND THE TENTH ANNIVERSARY OF CERTIFICATION, THE OWNER OR
16 OPERATOR SHALL FURNISH THE AUTHORITY WRITTEN INFORMATION DEMONSTRATING
17 WHETHER THE CERTIFIED INTERNATIONAL OPERATIONS CENTER HAS OR HAS NOT
18 SATISFIED THE INVESTMENT REQUIREMENTS PRESCRIBED IN SUBSECTION D OF THIS
19 SECTION. UNTIL THE INVESTMENT REQUIREMENTS PRESCRIBED IN SUBSECTION D OF
20 THIS SECTION ARE MET, THE OWNER OR OPERATOR SHALL KEEP DETAILED RECORDS OF
21 ALL CAPITAL INVESTMENT IN THE INTERNATIONAL OPERATIONS CENTER, INCLUDING
22 COSTS OF LAND, BUILDINGS AND INTERNATIONAL OPERATIONS CENTER EQUIPMENT, AND
23 ALL UTILITY RELIEF DIRECTLY RECEIVED BY THE OWNER OR OPERATOR.

24 F. IF THE AUTHORITY DETERMINES THAT THE REQUIREMENTS OF THIS SECTION
25 HAVE NOT BEEN SATISFIED, THE AUTHORITY MAY REVOKE THE CERTIFICATION OF THE
26 INTERNATIONAL OPERATIONS CENTER AND NOTIFY THE DEPARTMENT OF REVENUE IN
27 WRITING. THE OWNER OR OPERATOR MAY APPEAL THE REVOCATION. THE AUTHORITY MAY
28 GIVE SPECIAL CONSIDERATION OR ALLOW A TEMPORARY EXCEPTION IF THERE IS
29 EXTRAORDINARY HARDSHIP DUE TO FACTORS BEYOND THE OWNER'S OR OPERATOR'S
30 CONTROL. IF CERTIFICATION IS REVOKED, THE DEPARTMENT OF REVENUE SHALL ORDER
31 THE OWNER OR OPERATOR TO FORFEIT FURTHER ENTITLEMENT TO UTILITY RELIEF. IF
32 THE OWNER OR OPERATOR FAILS TO MAKE A MINIMUM CAPITAL INVESTMENT OF ONE

1 HUNDRED MILLION DOLLARS IN A TAXABLE YEAR, TAKING INTO ACCOUNT ANY EXCESS
2 INVESTMENT AMOUNTS CARRIED FORWARD FROM PREVIOUS YEARS, THE OWNER OR OPERATOR
3 MAY AVOID REVOCATION OF ITS CERTIFICATION BY PAYING TO THE DEPARTMENT OF
4 REVENUE WITHIN SIXTY DAYS AFTER THE END OF THE TAXABLE YEAR THE AMOUNT OF THE
5 UTILITY RELIEF PROVIDED PURSUANT TO THIS SECTION IN THAT YEAR.

6 G. THE AUTHORITY AND THE DEPARTMENT OF REVENUE SHALL PRESCRIBE FORMS
7 AND PROCEDURES AS NECESSARY FOR THE PURPOSES OF THIS SECTION.

8 H. PROPRIETARY BUSINESS INFORMATION CONTAINED IN THE APPLICATION FORM
9 DESCRIBED IN SUBSECTION B OF THIS SECTION AND THE WRITTEN NOTICE DESCRIBED IN
10 SUBSECTION F OF THIS SECTION ARE CONFIDENTIAL AND MAY NOT BE DISCLOSED TO THE
11 PUBLIC, EXCEPT THAT THE INFORMATION SHALL BE TRANSMITTED TO THE DEPARTMENT OF
12 REVENUE. THE AUTHORITY OR THE DEPARTMENT OF REVENUE MAY DISCLOSE THE NAME OF
13 AN INTERNATIONAL OPERATIONS CENTER THAT HAS BEEN CERTIFIED PURSUANT TO THIS
14 SECTION.

15 I. EXCEPT AS PROVIDED IN SUBSECTION F OF THIS SECTION, ON
16 CERTIFICATION, THE INTERNATIONAL OPERATIONS CENTER REMAINS CERTIFIED
17 REGARDLESS OF A FUTURE TRANSFER, SALE OR DIRECT OR INDIRECT DISPOSITION OF
18 THE INTERNATIONAL OPERATIONS CENTER.

19 J. AN OWNER OR OPERATOR MAY BE COMPOSED OF A SINGLE ENTITY OR
20 AFFILIATED ENTITIES.

21 K. FOR THE PURPOSES OF THIS SECTION:

22 1. "INTERNATIONAL OPERATIONS CENTER" MEANS A FACILITY THAT IS SUBJECT
23 TO THE INVESTMENT THRESHOLDS UNDER SUBSECTION D OF THIS SECTION AND THAT
24 SELF-CONSUMES RENEWABLE ENERGY FROM A QUALIFIED FACILITY PURSUANT TO SECTION
25 43-1083.04, SUBSECTION C OR SECTION 43-1164.05, SUBSECTION C.

26 2. "UTILITY RELIEF" MEANS THE REDUCED ECONOMIC BURDEN OF THE
27 TRANSACTION PRIVILEGE TAX, USE TAX OR MUNICIPAL TAX THAT IS PROVIDED TO A
28 RETAIL PURCHASER OF ELECTRICITY OR NATURAL GAS THROUGH THE APPLICATION OF
29 SECTION 42-5063, SUBSECTION C, PARAGRAPH 7, SECTION 42-5159, SUBSECTION G,
30 PARAGRAPH 2 AND SECTION 42-6012, PARAGRAPH 2."

31 Renumber to conform

32 Page 2, line 24, after the first "operations" strike remainder of line

1 Page 2, line 26, after "operations" strike remainder of line

2 Line 27, strike "OPERATIONS CENTER"

3 Strike lines 33 through 37

4 Reletter to conform

5 Page 3, between lines 2 and 3, insert:

6 "7. GROSS PROCEEDS OF SALES OR GROSS INCOME DERIVED FROM SALES OF
7 ELECTRICITY OR NATURAL GAS TO A BUSINESS THAT OPERATES AN INTERNATIONAL
8 OPERATIONS CENTER IN THIS STATE AND THAT IS CERTIFIED BY THE ARIZONA COMMERCE
9 AUTHORITY PURSUANT TO SECTION 41-1520."

10 Page 15, line 43, after "by" insert ":

11 1."

12 Line 44, after the first "operations" strike remainder of line

13 Page 16, line 1, after "operations" strike remainder of line

14 Line 2, strike "OPERATIONS CENTER"; strike "subsection" insert "PARAGRAPH"

15 Line 3, strike "subsection" insert "PARAGRAPH"

16 Line 4, strike "1." insert "(a)"

17 Strike lines 8 through 12

18 Line 13, strike "3." insert "(b)"

19 Line 19, strike "4." insert "(c)"

20 Line 21, strike "5." insert "(d)"

21 Between lines 22 and 23, insert:

22 "2. A BUSINESS THAT OPERATES AN INTERNATIONAL OPERATIONS CENTER IN
23 THIS STATE AND THAT IS CERTIFIED BY THE ARIZONA COMMERCE AUTHORITY PURSUANT
24 TO SECTION 41-1520."

25 Line 40, strike "; definitions"

26 Line 41, strike "A."

27 Line 45, after "to" insert "EITHER OF THE FOLLOWING BUSINESSES:

28 1."

29 Page 17, line 3, strike ", OR AN INTERNATIONAL OPERATIONS CENTER,"

30 Line 4, strike "subsection" insert "PARAGRAPH"

31 Line 5, strike "B."; strike "section" insert "PARAGRAPH"

32 Line 6, strike "1." insert "(a)"

1 Page 17, strike lines 10 through 14

2 Line 15, strike "3." insert "(b)"

3 Line 21, strike "4." insert "(c)"

4 Between lines 22 and 23, insert:

5 "2. BUSINESSES THAT OPERATE AN INTERNATIONAL OPERATIONS CENTER IN THIS
6 STATE AND THAT ARE CERTIFIED BY THE ARIZONA COMMERCE AUTHORITY PURSUANT TO
7 SECTION 41-1520."

8 Line 31, after "OR" insert "FOR"

9 Line 32, after "B." insert "IF THE TAXPAYER USES THE POWER GENERATED BY THE
10 RENEWABLE ENERGY FACILITY IN THE TAXPAYER'S MANUFACTURING FACILITY,"

11 Line 34, strike "~~three~~ ONE" insert "three"

12 Line 38, after "or" insert "BY"

13 Line 39, strike "~~At least ninety~~" insert "At least ninety"; strike "A PORTION"
14 insert "PERCENT"

15 Page 18, line 1, strike "~~at least ninety~~" insert "at least ninety"; strike "A
16 PORTION" insert "PERCENT"

17 Line 3, after "manufacturing" strike remainder of line

18 Line 4, strike "OPERATIONS CENTER"

19 Line 6, after "manufacturer" strike remainder of line

20 Line 7, strike "CENTER"

21 Between lines 7 and 8, insert:

22 "C. IF THE TAXPAYER USES THE POWER GENERATED BY THE RENEWABLE ENERGY
23 FACILITY IN THE TAXPAYER'S INTERNATIONAL OPERATIONS CENTER, THE TAXPAYER IS
24 ELIGIBLE FOR THE CREDIT IF ALL OF THE FOLLOWING APPLY:

25 1. THE TAXPAYER INVESTS AT LEAST ONE HUNDRED MILLION DOLLARS IN A NEW
26 RENEWABLE ENERGY FACILITY IN THIS STATE THAT PRODUCES ENERGY FOR
27 SELF-CONSUMPTION USING RENEWABLE ENERGY RESOURCES. THE MINIMUM INVESTMENT
28 MUST BE COMPLETED WITHIN A THREE-YEAR PERIOD BEGINNING ON THE DATE THE
29 INITIAL APPLICATION IS RECEIVED OR BY DECEMBER 31, 2018, WHICHEVER IS
30 EARLIER.

31 2. A PORTION OF THE ENERGY PRODUCED AT THE RENEWABLE ENERGY FACILITY
32 IS USED FOR SELF-CONSUMPTION IN THIS STATE. BY THE FIFTH YEAR THE RENEWABLE

1 ENERGY FACILITY IS IN OPERATION, AT LEAST FIFTY-ONE PERCENT OF THE ENERGY
2 PRODUCED MUST BE USED FOR SELF-CONSUMPTION IN THIS STATE. SELF-CONSUMPTION
3 INCLUDES THE POWER USED BY RELATED ENTITIES IF THE RELATED ENTITIES ARE
4 DIRECTLY OR INDIRECTLY UNDER THE SAME OWNERSHIP INTERESTS THAT COLLECTIVELY
5 OWN MORE THAN FIFTY PERCENT. POWER THAT A RENEWABLE ENERGY FACILITY
6 TRANSFERS TO A UTILITY QUALIFIES AS SELF-CONSUMPTION IF THE POWER IS
7 TRANSFERRED BACK TO THE OWNER OF THE RENEWABLE ENERGY FACILITY FOR USE IN THE
8 OWNER'S INTERNATIONAL OPERATIONS CENTER IN THIS STATE.

9 3. THE POWER THAT IS USED FOR SELF-CONSUMPTION UNDER PARAGRAPH 2 OF
10 THIS SUBSECTION IS USED PRIMARILY FOR AN INTERNATIONAL OPERATIONS CENTER IN
11 THIS STATE. A LESSOR OF AN INTERNATIONAL OPERATIONS CENTER FACILITY THAT
12 USES POWER FOR SELF-CONSUMPTION UNDER PARAGRAPH 2 OF THIS SUBSECTION
13 SATISFIES THE REQUIREMENTS OF THIS PARAGRAPH IF THE LESSEE IS AN
14 INTERNATIONAL OPERATIONS CENTER AND THE POWER IS TRANSFERRED AS PART OF THE
15 LEASE TO THE LESSEE."

16 Reletter to conform

17 Page 18, line 8, strike "F" insert "G"

18 Line 9, after "dollars" insert "PER TAXPAYER"; strike "for each"

19 Line 10, strike "renewable energy facility" insert "REGARDLESS OF THE NUMBER OF
20 RENEWABLE ENERGY FACILITIES"

21 Line 11, after "dollars" insert "REGARDLESS OF WHETHER THE TAXPAYER IS COMPOSED
22 OF A SINGLE ENTITY OR MULTIPLE AFFILIATED ENTITIES"

23 Line 13, strike "M" insert "N"

24 Line 31, strike the second "A" insert "THE"

25 Line 32, after "facility" insert ", AS REQUIRED BY SUBSECTION B, PARAGRAPH 2 OR
26 SUBSECTION C, PARAGRAPH 2 OF THIS SECTION,"

27 Line 33, after "OPERATIONS" insert "CENTER"

28 Lines 35, 43 and 45 strike "E" insert "F"

29 Page 19, line 12, strike "E" insert "F"

30 Lines 13 and 14, strike "F" insert "G"

31 Line 17, strike "E" insert "F"

32 Line 19, strike "ONE"

1 Page 19, line 20, strike "hundred million dollar"; after "1" insert "OR SUBSECTION
2 C, PARAGRAPH 1"

3 Line 25, strike "A" insert "THE REQUIRED"

4 Line 26, after "self-consumption" insert "AS REQUIRED BY SUBSECTION B, PARAGRAPH
5 2 OR SUBSECTION C, PARAGRAPH 2 OF THIS SECTION"

6 Between lines 26 and 27, insert:

7 "3. CERTIFICATION FROM THE ARIZONA COMMERCE AUTHORITY PURSUANT TO SECTION
8 41-1520."

9 Line 29, strike "F" insert "G"

10 Line 38, after the period insert "IF THE TAXPAYER IS THE OWNER OR OPERATOR OF AN
11 INTERNATIONAL OPERATIONS CENTER, THE TAXPAYER MUST SUBMIT ADDITIONAL EVIDENCE
12 TO THE DEPARTMENT WITHIN SIXTY DAYS AFTER THE END OF THE FIFTH YEAR OF
13 OPERATION OF THE FACILITY THAT THE REQUIREMENTS OF SUBSECTION C, PARAGRAPH 2
14 OF THIS SECTION HAVE BEEN MET."

15 Strike lines 39 through 45, insert:

16 "K. IF THE TAXPAYER FAILS TO MAKE THE REQUIRED INVESTMENT IN RENEWABLE
17 ENERGY FACILITIES WITHIN THE TIME PERIOD REQUIRED BY SUBSECTION B, PARAGRAPH
18 1 OR SUBSECTION C, PARAGRAPH 1 OF THIS SECTION OR IF THE CERTIFICATION OF AN
19 INTERNATIONAL OPERATIONS CENTER HAS BEEN REVOKED UNDER SECTION 41-1520 DUE TO
20 A FAILURE TO MAKE A ONE BILLION TWO HUNDRED FIFTY MILLION DOLLAR INVESTMENT
21 IN THE CENTER WITHIN TEN YEARS AFTER CERTIFICATION OR IF THE TAXPAYER FAILS
22 TO RECEIVE FINAL CERTIFICATION OF THE CREDIT UNDER SUBSECTION J OF THIS
23 SECTION, THE TAXPAYER MUST CEASE CLAIMING ANY FURTHER CREDITS UNDER THIS
24 SECTION AND SHALL REIMBURSE THE AMOUNT OF ALL CREDITS PREVIOUSLY RECEIVED
25 UNDER THIS SECTION. THE REIMBURSEMENT MUST BE MADE ON THE TAXPAYER'S INCOME
26 TAX RETURN FOR THE TAXABLE YEAR IN WHICH IT IS FIRST KNOWN THAT THE REQUIRED
27 INVESTMENT WOULD NOT BE MADE WITHIN THE REQUIRED TIME OR THE TAXABLE YEAR IN
28 WHICH THE CERTIFICATION WAS REVOKED. THE DEPARTMENT MAY GIVE SPECIAL
29 CONSIDERATION OR ALLOW A TEMPORARY EXEMPTION FROM REIMBURSEMENT IF THERE IS
30 EXTRAORDINARY HARDSHIP DUE TO FACTORS BEYOND THE TAXPAYER'S CONTROL. IF THE
31 REIMBURSEMENT IS DUE TO REVOCATION OF THE CERTIFICATION OF AN INTERNATIONAL
32 OPERATIONS CENTER DUE TO A FAILURE TO INVEST ONE BILLION TWO HUNDRED FIFTY

1 MILLION DOLLARS IN THE CENTER WITHIN TEN YEARS AFTER CERTIFICATION, THE
2 CREDITS SHALL BE REIMBURSED IN INVERSE PROPORTION TO THE TOTAL CAPITAL
3 INVESTMENT MADE IN THE INTERNATIONAL OPERATIONS CENTER DIVIDED BY ONE BILLION
4 TWO HUNDRED FIFTY MILLION DOLLARS. THE DEPARTMENT MAY REQUIRE REIMBURSEMENT
5 BEFORE THE TENTH ANNIVERSARY OF CERTIFICATION OF AN INTERNATIONAL OPERATIONS
6 CENTER IF THE FACILITY HAS BEEN CLOSED OR RELOCATED OR THE TAXPAYER HAS
7 OTHERWISE DEMONSTRATED THAT THE ONE BILLION TWO HUNDRED FIFTY MILLION DOLLAR
8 INVESTMENT WILL NOT BE TIMELY MADE."

9 Page 20, strike lines 44 and 45

10 Page 21, strike lines 1 and 2, insert:

11 "2. "INTERNATIONAL OPERATIONS CENTER" MEANS A FACILITY THAT IS
12 CERTIFIED BY THE ARIZONA COMMERCE AUTHORITY PURSUANT TO SECTION 41-1520."

13 Line 24, after "OR" insert "FOR"

14 Line 25, after "B." insert "IF THE TAXPAYER USES THE POWER GENERATED BY THE
15 RENEWABLE ENERGY FACILITY IN THE TAXPAYER'S MANUFACTURING FACILITY,"

16 Line 27, strike "~~three~~ ONE" insert "three"

17 Line 31, after "or" insert "BY"

18 Line 32, strike "~~At least ninety~~" insert "At least ninety"; strike "A PORTION"
19 insert "PERCENT"

20 Line 38, strike "~~at least ninety~~" insert "at least ninety"; strike "A PORTION"
21 insert "PERCENT"

22 Line 40, after "manufacturing" strike remainder of line

23 Line 41, strike "OPERATIONS CENTER"

24 Line 43, after "manufacturer" strike remainder of line

25 Line 44, strike "CENTER"

26 After line 44, insert:

27 "C. IF THE TAXPAYER USES THE POWER GENERATED BY THE RENEWABLE ENERGY
28 FACILITY IN THE TAXPAYER'S INTERNATIONAL OPERATIONS CENTER, THE TAXPAYER IS
29 ELIGIBLE FOR THE CREDIT IF ALL OF THE FOLLOWING APPLY:

30 1. THE TAXPAYER INVESTS AT LEAST ONE HUNDRED MILLION DOLLARS IN A NEW
31 RENEWABLE ENERGY FACILITY IN THIS STATE THAT PRODUCES ENERGY FOR
32 SELF-CONSUMPTION USING RENEWABLE ENERGY RESOURCES. THE MINIMUM INVESTMENT

1 MUST BE COMPLETED WITHIN A THREE-YEAR PERIOD BEGINNING ON THE DATE THE
2 INITIAL APPLICATION IS RECEIVED OR BY DECEMBER 31, 2018, WHICHEVER IS
3 EARLIER.

4 2. A PORTION OF THE ENERGY PRODUCED AT THE RENEWABLE ENERGY FACILITY
5 IS USED FOR SELF-CONSUMPTION IN THIS STATE. BY THE FIFTH YEAR THE RENEWABLE
6 ENERGY FACILITY IS IN OPERATION, AT LEAST FIFTY-ONE PERCENT OF THE ENERGY
7 PRODUCED MUST BE USED FOR SELF-CONSUMPTION IN THIS STATE. SELF-CONSUMPTION
8 INCLUDES THE POWER USED BY RELATED ENTITIES IF THE RELATED ENTITIES ARE
9 DIRECTLY OR INDIRECTLY UNDER THE SAME OWNERSHIP INTERESTS THAT COLLECTIVELY
10 OWN MORE THAN FIFTY PERCENT. POWER THAT A RENEWABLE ENERGY FACILITY
11 TRANSFERS TO A UTILITY QUALIFIES AS SELF-CONSUMPTION IF THE POWER IS
12 TRANSFERRED BACK TO THE OWNER OF THE RENEWABLE ENERGY FACILITY FOR USE IN THE
13 OWNER'S INTERNATIONAL OPERATIONS CENTER IN THIS STATE.

14 3. THE POWER THAT IS USED FOR SELF-CONSUMPTION UNDER PARAGRAPH 2 OF
15 THIS SUBSECTION IS USED PRIMARILY FOR AN INTERNATIONAL OPERATIONS CENTER IN
16 THIS STATE. A LESSOR OF AN INTERNATIONAL OPERATIONS CENTER FACILITY THAT
17 USES POWER FOR SELF-CONSUMPTION UNDER PARAGRAPH 2 OF THIS SUBSECTION
18 SATISFIES THE REQUIREMENTS OF THIS PARAGRAPH IF THE LESSEE IS AN
19 INTERNATIONAL OPERATIONS CENTER AND THE POWER IS TRANSFERRED AS PART OF THE
20 LEASE TO THE LESSEE."

21 Reletter to conform

22 Page 22, line 1, strike "F" insert "G"

23 Line 2, after "dollars" insert "PER TAXPAYER"; strike "for each"

24 Line 3, strike "renewable energy facility" insert "REGARDLESS OF THE NUMBER OF
25 RENEWABLE ENERGY FACILITIES"

26 Line 4, after "dollars" insert "REGARDLESS OF WHETHER THE TAXPAYER IS COMPOSED
27 OF A SINGLE ENTITY OR MULTIPLE AFFILIATED ENTITIES"

28 Line 6, strike "M" insert "N"

29 Line 24, strike the second "A" insert "THE"

30 Line 25, after "facility" insert ", AS REQUIRED BY SUBSECTION B, PARAGRAPH 2 OR
31 SUBSECTION C, PARAGRAPH 2 OF THIS SECTION,"

32 Line 26, after "OPERATIONS" insert "CENTER"

1 Page 22, lines 28, 36 and 38, strike "E" insert "F"

2 Page 23, line 5, strike "E" insert "F"

3 Lines 6 and 7, strike "F" insert "G"

4 Line 10, strike "E" insert "F"

5 Line 12, strike "ONE"

6 Line 13, strike "hundred million dollar"; after "1" insert "OR SUBSECTION C,
7 PARAGRAPH 1"

8 Line 18, strike "A" insert "THE REQUIRED"

9 Line 19, after "self-consumption" insert "AS REQUIRED BY SUBSECTION B, PARAGRAPH
10 2 OR SUBSECTION C, PARAGRAPH 2 OF THIS SECTION"

11 Between lines 19 and 20, insert:

12 "3. CERTIFICATION FROM THE ARIZONA COMMERCE AUTHORITY PURSUANT TO
13 SECTION 41-1520."

14 Line 22, strike "F" insert "G"

15 Line 31, after the period insert "IF THE TAXPAYER IS THE OWNER OR OPERATOR OF AN
16 INTERNATIONAL OPERATIONS CENTER, THE TAXPAYER MUST SUBMIT ADDITIONAL EVIDENCE
17 TO THE DEPARTMENT WITHIN SIXTY DAYS AFTER THE END OF THE FIFTH YEAR OF
18 OPERATION OF THE FACILITY THAT THE REQUIREMENTS OF SUBSECTION C, PARAGRAPH 2
19 OF THIS SECTION HAVE BEEN MET."

20 Strike lines 32 through 38, insert:

21 "K. IF THE TAXPAYER FAILS TO MAKE THE REQUIRED INVESTMENT IN RENEWABLE
22 ENERGY FACILITIES WITHIN THE TIME PERIOD REQUIRED BY SUBSECTION B, PARAGRAPH
23 1 OR SUBSECTION C, PARAGRAPH 1 OF THIS SECTION OR IF THE CERTIFICATION OF AN
24 INTERNATIONAL OPERATIONS CENTER HAS BEEN REVOKED UNDER SECTION 41-1520 DUE TO
25 A FAILURE TO MAKE A ONE BILLION TWO HUNDRED FIFTY MILLION DOLLAR INVESTMENT
26 IN THE CENTER WITHIN TEN YEARS AFTER CERTIFICATION, THE TAXPAYER MUST CEASE
27 CLAIMING ANY FURTHER CREDITS UNDER THIS SECTION AND SHALL REIMBURSE THE
28 AMOUNT OF ALL CREDITS PREVIOUSLY RECEIVED UNDER THIS SECTION. THE
29 REIMBURSEMENT SHALL BE MADE ON THE TAXPAYER'S INCOME TAX RETURN FOR THE
30 TAXABLE YEAR IN WHICH IT IS FIRST KNOWN THAT THE REQUIRED INVESTMENT WOULD
31 NOT BE MADE WITHIN THE REQUIRED TIME OR THE TAXABLE YEAR IN WHICH THE
32 CERTIFICATION WAS REVOKED. THE DEPARTMENT MAY GIVE SPECIAL CONSIDERATION OR

1 ALLOW A TEMPORARY EXEMPTION FROM REIMBURSEMENT IF THERE IS EXTRAORDINARY
2 HARDSHIP DUE TO FACTORS BEYOND THE TAXPAYER'S CONTROL. IF THE REIMBURSEMENT
3 IS DUE TO REVOCATION OF THE CERTIFICATION OF AN INTERNATIONAL OPERATIONS
4 CENTER DUE TO A FAILURE TO INVEST ONE BILLION TWO HUNDRED FIFTY MILLION
5 DOLLARS IN THE CENTER WITHIN TEN YEARS AFTER CERTIFICATION, THE CREDITS SHALL
6 BE REIMBURSED IN INVERSE PROPORTION TO THE TOTAL CAPITAL INVESTMENT MADE IN
7 THE INTERNATIONAL OPERATIONS CENTER DIVIDED BY ONE BILLION TWO HUNDRED FIFTY
8 MILLION DOLLARS. THE DEPARTMENT MAY REQUIRE REIMBURSEMENT BEFORE THE TENTH
9 ANNIVERSARY OF CERTIFICATION OF AN INTERNATIONAL OPERATIONS CENTER IF THE
10 FACILITY HAS BEEN CLOSED OR RELOCATED OR THE TAXPAYER HAS OTHERWISE
11 DEMONSTRATED THAT THE ONE BILLION TWO HUNDRED FIFTY MILLION DOLLAR INVESTMENT
12 WILL NOT BE TIMELY MADE."

13 Page 24, strike lines 36 through 39, insert:

14 "2. "INTERNATIONAL OPERATIONS CENTER" MEANS A FACILITY THAT IS
15 CERTIFIED BY THE ARIZONA COMMERCE AUTHORITY PURSUANT TO SECTION 41-1520."

16 Page 25, after line 7, insert:

17 "Sec. 7. Effective date

18 Sections 42-5063, 42-5159 and 42-6012, Arizona Revised Statutes, as
19 amended by this act, are effective from and after the last day of the month
20 of the general effective date of the fifty-second legislature, first regular
21 session."

22 Amend title to conform

KIMBERLY YEE

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