

COMMITTEE ON WAYS & MEANS  
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2702  
(Reference to printed bill)

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

2 "Section 1. Section 42-1006, Arizona Revised Statutes, is amended to  
3 read:

4 42-1006. Interrogatories to taxpayers; power to require  
5 information; classification

6 A. The director may prepare interrogatories to be propounded to  
7 taxpayers concerning matters relating to taxes, with an oath or affirmation  
8 annexed, which shall be fully answered by the taxpayers to whom they are  
9 submitted.

10 B. Any person who knowingly makes a false answer to any proper  
11 question submitted to him by the director or who knowingly fails to answer  
12 any question submitted, or to take or subscribe the oath or affirmation  
13 annexed thereto, is guilty of a class 2 misdemeanor.

14 C. The director may administer oaths or affirmations, issue  
15 subpoenas requiring attendance and testimony of witnesses, take evidence  
16 and require by subpoena duces tecum the production of books, papers and  
17 other documents which may be relevant to the powers and duties of the  
18 department. SUBPOENAS ISSUED HEREUNDER AND ORDERS TO SHOW CAUSE ISSUED TO  
19 ENFORCE ADMINISTRATIVE SUBPOENAS ARE ENFORCEABLE TO THE MAXIMUM EXTENT  
20 PERMITTED BY THE DUE PROCESS OF LAW CLAUSE OF THE FOURTEENTH AMENDMENT OF  
21 THE UNITED STATES CONSTITUTION. SUBPOENAS AND ORDERS TO SHOW CAUSE TO  
22 ENFORCE SUCH SUBPOENAS AS AUTHORIZED BY THIS SECTION MAY BE SERVED EITHER  
23 WITHIN OR OUTSIDE THIS STATE.



1           B. The department may prescribe by administrative rule alternative  
2 methods for signing, subscribing or verifying a return, statement or other  
3 document required or authorized to be filed with the department that have  
4 the same validity and consequence as the actual signature or written  
5 declaration of the taxpayer or other person required to sign, subscribe or  
6 verify the return, statement or other document. While the department is  
7 adopting a rule prescribing alternative methods for signing, subscribing or  
8 verifying a return, statement or other document, the director, by tax  
9 ruling, may waive the requirement of a signature for a particular type or  
10 class of return, statement or other document required to be filed with the  
11 department. For purposes of this subsection, "tax ruling" has the same  
12 meaning prescribed in section 42-2052.

13           C. A person who is a return preparer or an electronic return  
14 preparer shall furnish a completed copy of the return, statement or other  
15 document to the taxpayer no later than the time the return, statement or  
16 other document is presented for the taxpayer's signature.

17           D. Except as provided in section 42-3010, every person who is  
18 subject to the taxes administered pursuant to this article shall keep and  
19 preserve copies of filed tax returns, including any attachments to the tax  
20 return, any signature documents used for the tax return, suitable records  
21 and other books and accounts necessary to determine the tax for which the  
22 person is liable for the period prescribed in section 42-1104. The books,  
23 records and accounts shall be open for inspection at any reasonable time by  
24 the department or its authorized agent. **IN THE COURSE OF OR IN LIEU OF**  
25 **INSPECTION, THE DEPARTMENT OR ITS AUTHORIZED AGENT MAY COPY OR REQUIRE THE**  
26 **TAXPAYER TO PROVIDE COPIES OF BOOKS, RECORDS OR OTHER DOCUMENTS OF ANY**  
27 **PERSON WHO MAY BE LIABLE FOR TAX UNDER THIS TITLE OR TITLE 43. THE FACT**  
28 **THAT THE TAXPAYER HAS NOT MAINTAINED, REFUSES OR IS UNABLE TO PROVIDE BOOKS**  
29 **AND RECORDS NECESSARY TO DETERMINE THE TAX LIABILITY OF ANY PERSON DOES NOT**  
30 **PRECLUDE THE DEPARTMENT OR ITS AUTHORIZED AGENT FROM MAKING ANY ASSESSMENT.**

31           E. Except as provided in section 42-3010, a return preparer or  
32 electronic return preparer shall keep copies of the return, statement or

1 other document for six years for transaction privilege and use tax returns  
2 and four years for all other returns, statements and other documents  
3 following the date on which the return, statement or other document was due  
4 to be filed or was presented to the taxpayer for signature, whichever is  
5 later.

6 F. Except as provided in section 42-3010, the department may require  
7 by administrative rule electronic return preparers to keep for each  
8 prepared return, statement or other document the following documents for  
9 six years for transaction privilege and use tax returns and four years for  
10 all other returns, statements and other documents following the later of  
11 either the date on which the return, statement or other document was due to  
12 be filed with the department or was presented to the taxpayer for  
13 signature:

14 1. The signature document or tax return form bearing the taxpayer's  
15 original signature in a manner prescribed by the department by  
16 administrative rule or tax ruling.

17 2. Any attachments to the return, statement or other document  
18 required to be submitted to the department if the return, statement or  
19 other document had not been electronically transmitted to the department.

20 G. The operator of a swap meet, flea market, fair, carnival,  
21 festival, circus or other transient selling event shall maintain a current  
22 list of vendors conducting business on the premises as sellers. The list  
23 shall include each vendor name, business name and business address. On  
24 written notice, the department may require an operator to submit a copy of  
25 the list at any time to the department.

26 H. For at least the period of time prescribed by section 42-1104,  
27 the department shall retain any return, statement or other document, as  
28 defined in section 42-1101.01, as a record pursuant to sections 41-151.14,  
29 41-151.15, 41-151.16, 41-151.17 and 41-151.19. Anything submitted with the  
30 return, statement or other document as defined in section 42-1101.01 that  
31 is not required, authorized or requested by the department is not part of  
32 the record and may be destroyed, unless it is, at the department's

1 reasonable discretion, of more than de minimis value. Copies of original  
2 documents of which the department reasonably expects the taxpayer has  
3 retained any originals are presumed to be of de minimis value for purposes  
4 of this section. If the department determines that any document that is  
5 not required, authorized or requested by the department pursuant to this  
6 subsection is of more than de minimis value, within ten days after receipt  
7 the department shall notify the taxpayer in writing or by electronic means  
8 of its intent to destroy the document. If the taxpayer requests the return  
9 of any document included in the notice, the department shall immediately  
10 comply, although the director may require the taxpayer to pay any shipping  
11 costs to return the document. If the taxpayer does not request the return  
12 of the documents within thirty days after the date on the notice or the  
13 taxpayer consents to the destruction of the documents, whichever occurs  
14 first, the department may destroy the documents included in the notice."

15 Renumber to conform

16 Page 2, line 1, after the second quotation marks insert ":

17 (a)"

18 Line 5, after "ENGAGES" insert "IN AT LEAST ONE OF THE ACTIVITIES DESCRIBED IN  
19 ITEMS (i) THROUGH (iv) OF THIS SUBDIVISION, DIRECTLY OR INDIRECTLY, THROUGH  
20 ONE OR MORE AFFILIATED PERSONS AND IN AT LEAST ONE OF THE ACTIVITIES  
21 DESCRIBED IN ITEMS (v) THROUGH (xii) OF THIS SUBDIVISION WITH RESPECT TO  
22 THE SELLER'S PRODUCT"

23 Strike lines 6 and 7

24 Strike lines 19 and 20

25 Line 21, strike "(i)" insert "(v)"

26 Line 22, strike "(ii)" insert "(vi)"

27 Line 23, strike "(iii)" insert "(vii)"

1 Page 2, line 24, strike "(iv)" insert "(viii)"

2 Line 25, strike "(v)" insert "(ix)"

3 Line 26, strike "(vi)" insert "(x)"

4 Line 27, strike "(vii)" insert "(xi)"

5 Line 28, strike "(viii)" insert "(xii)"

6 Between lines 29 and 30, insert:

7 "(b) DOES NOT INCLUDE EITHER OF THE FOLLOWING:

8 (i) A PLATFORM OR FORUM THAT EXCLUSIVELY PROVIDES INTERNET  
9 ADVERTISING SERVICES, INCLUDING LISTING PRODUCTS FOR SALE, IF THE INTERNET  
10 ADVERTISING SERVICE PLATFORM OR FORUM DOES NOT ALSO ENGAGE, DIRECTLY OR  
11 INDIRECTLY, THROUGH ONE OR MORE AFFILIATED PERSONS IN THE ACTIVITIES  
12 DESCRIBED IN SUBDIVISION (a), ITEMS (i) THROUGH (iv) OF THIS PARAGRAPH.

13 (ii) A PAYMENT PROCESSOR BUSINESS THAT IS APPOINTED BY A MERCHANT TO  
14 HANDLE PAYMENT TRANSACTIONS FROM VARIOUS CHANNELS, SUCH AS CREDIT CARDS AND  
15 DEBIT CARDS, AND WHOSE SOLE ACTIVITY WITH RESPECT TO MARKETPLACE SALES IS  
16 TO HANDLE TRANSACTIONS BETWEEN TWO PARTIES."

17 Page 5, line 22, after "PERSON" strike remainder of line

18 Line 23, strike "TOWN" insert "WHO OBTAINED A LICENSE PURSUANT TO SUBSECTION A  
19 OF THIS SECTION ONLY BECAUSE THE PERSON'S BUSINESS"

20 Line 37, after "PERSON" strike remainder of line

21 Line 38, strike "WITHIN A CITY OR TOWN" insert "WHO OBTAINED A LICENSE  
22 PURSUANT TO SUBSECTION A OF THIS SECTION ONLY BECAUSE THE PERSON'S  
23 BUSINESS"

House Amendments to H.B. 2702

1 Page 21, line 25, strike ", IF"

2 Line 26, strike "THE SALE IS" insert "THAT ARE"; after "FACILITATOR" strike  
3 remainder of line

4 Strike line 27, insert "IN WHICH"

5 Line 28, strike "HAS PAID THE APPLICABLE TAX AND"

6 Page 39, line 42, strike ", IF"

7 Line 43, strike "THE SALE IS" insert "THAT ARE"; after "FACILITATOR" strike  
8 remainder of line

9 Strike line 44, insert "IN WHICH"

10 Line 45, strike "HAS PAID THE APPLICABLE TAX AND"

11 Page 50, strike lines 11 through 15

12 Reletter to conform

13 Line 23, strike the second "THE"

14 Strike line 24, insert "ANY PERSON AFFILIATED WITH THE MARKETPLACE  
15 FACILITATOR, DIRECTLY OR INDIRECTLY, THROUGH OWNERSHIP OR CONTROL,  
16 INCLUDING THROUGH A COMMON ENTITY."

17 Line 35, strike "TAXED ARE" insert "OF A PERSON SUBJECT TO SECTION 42-5043 ARE  
18 TAXED"

19 Amend title to conform

And, as so amended, it do pass

BEN TOMA  
CHAIRMAN

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