

COMMITTEE ON FINANCE
SENATE AMENDMENTS TO S.B. 1348
(Reference to printed bill)

1 Page 30, line 4, after "FULL-YEAR" insert "OR PART-YEAR"

2 Line 16, strike "A PART-YEAR RESIDENT OR"

3 Line 19, after "FULL-YEAR" insert "OR PART-YEAR"

4 Page 40, between lines 34 and 35, insert:

5 "Sec. 19. Section 43-1042, Arizona Revised Statutes, is amended to
6 read:

7 43-1042. Itemized deductions

8 A. Except as provided by subsections B and C of this section, at the
9 election of the taxpayer, and in lieu of the standard deduction allowed by
10 section 43-1041, in computing taxable income the taxpayer may take the
11 amount of itemized deductions allowable for the taxable year pursuant to
12 subtitle A, chapter 1, subchapter B, parts VI and VII, but subject to the
13 limitations prescribed by sections 67, 68 and 274 of the internal revenue
14 code.

15 B. In lieu of the amount of the federal itemized deduction for
16 expenses paid for medical care allowed under section 213 of the internal
17 revenue code, the taxpayer may deduct the full amount of such expenses.

18 C. A taxpayer shall not claim both a deduction provided by this
19 section and a credit allowed by this title with respect to the same
20 charitable contributions. THIS SUBSECTION APPLIES TO ANY CONTRIBUTION FOR
21 WHICH A CREDIT IS ALLOWED BY THIS TITLE EVEN IF THE CONTRIBUTION IS TREATED
22 AS A PAYMENT OF STATE INCOME TAX.

23 D. The taxpayer may add any interest expense paid by the taxpayer
24 for the taxable year that is equal to the amount of federal credit for

1 interest on certain home mortgages allowed by section 25 of the internal
2 revenue code."

3 Renumber to conform

4 Page 58, line 19, after the third comma insert "43-1162,"

5 After line 22, insert:

6 "Sec. 35. Saving clause

7 The repeal of the income tax credits by this act does not affect the
8 continuing validity of any amount of the credit carried forward from
9 previous taxable years for application against subsequent tax liabilities
10 as allowed by prior law."

11 Amend title to conform

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C: ED