

State of Arizona  
House of Representatives  
Fiftieth Legislature  
First Regular Session  
2011

# HOUSE BILL 2636

## AN ACT

PROVIDING FOR THE DELAYED REPEAL OF TITLE 43, CHAPTER 10, ARTICLES 1, 2, 3 AND 4, ARIZONA REVISED STATUTES; PROVIDING FOR THE DELAYED REPEAL OF SECTIONS 43-1021, 43-1022, 43-1024, 43-1025, 43-1027, 43-1028, 43-1029, 43-1030, 43-1031, 43-1032, 43-1041, 43-1042, 43-1073, 43-1094, 43-1095 AND 43-1098, ARIZONA REVISED STATUTES; AMENDING TITLE 43, CHAPTER 10, ARIZONA REVISED STATUTES, BY ADDING A NEW ARTICLE 1; AMENDING SECTIONS 43-1091, 43-1094, 43-1095, 43-1096, 43-1097 AND 43-1098, ARIZONA REVISED STATUTES; RELATING TO INDIVIDUAL INCOME TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Delayed repeal

3 A. From and after December 31, 2012:

4 1. Title 43, chapter 10, articles 1 and 2, Arizona Revised Statutes,  
5 are repealed.

6 2. Sections 43-1021, 43-1022, 43-1024, 43-1025, 43-1027, 43-1028,  
7 43-1029, 43-1030, 43-1031, 43-1032 and 43-1042, Arizona Revised Statutes, are  
8 repealed.

9 B. From and after December 31, 2013:

10 1. Title 43, chapter 10, article 3, Arizona Revised Statutes, is  
11 repealed.

12 2. Sections 43-1041 and 43-1094, Arizona Revised Statutes, are  
13 repealed.

14 C. From and after December 31, 2014:

15 1. Title 43, chapter 10, article 4, Arizona Revised Statutes, is  
16 repealed.

17 2. Sections 43-1073, 43-1095 and 43-1098, Arizona Revised Statutes,  
18 are repealed.

19 Sec. 2. Title 43, chapter 10, Arizona Revised Statutes, is amended by  
20 adding a new article 1, to read:

21 ARTICLE 1. GENERAL PROVISIONS

22 43-1001. Definitions

23 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

24 1. "HEAD OF HOUSEHOLD" HAS THE SAME MEANING PRESCRIBED BY SECTIONS  
25 2(b) AND 2(c) OF THE INTERNAL REVENUE CODE. HEAD OF HOUSEHOLD INCLUDES AN  
26 INDIVIDUAL WHO MEETS THE QUALIFICATIONS OF A SURVIVING SPOUSE UNDER SECTION  
27 2(a) OF THE INTERNAL REVENUE CODE.

28 2. "MARRIED PERSON" MEANS A MARRIED PERSON ON THE LAST DAY OF THE  
29 TAXABLE YEAR SUBJECT TO THE RULES PRESCRIBED IN SECTION 43-1002.

30 3. "PERSON" MEANS AN INDIVIDUAL.

31 4. "SINGLE PERSON" MEANS ANY PERSON WHO IS NOT MARRIED OR WHO WAS  
32 LEGALLY SEPARATED ON THE LAST DAY OF THE PERSON'S TAXABLE YEAR.

33 5. "SPOUSE" MEANS THE WIFE OR HUSBAND OF THE TAXPAYER.

34 6. "TAXABLE INCOME" OF A RESIDENT INDIVIDUAL MEANS THE INDIVIDUAL'S  
35 FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR, COMPUTED PURSUANT TO THE  
36 INTERNAL REVENUE CODE, AND ANY FURTHER ADJUSTMENTS REQUIRED BY THIS CHAPTER.

37 7. "TAXABLE YEAR" MEANS THE TAXABLE PERIOD ON THE BASIS OF WHICH A  
38 TAXPAYER IS REQUIRED TO FILE A FEDERAL INCOME TAX RETURN PURSUANT TO THE  
39 INTERNAL REVENUE CODE, OR THE CALENDAR YEAR IF THE TAXPAYER IS NOT REQUIRED  
40 TO FILE A FEDERAL INCOME TAX RETURN.

41 43-1002. Married person; application of definition

42 THE FOLLOWING RULES APPLY TO THE DEFINITION OF "MARRIED PERSON" IN  
43 SECTION 43-1001:

1           1. AN INDIVIDUAL WHO IS LEGALLY SEPARATED FROM THE INDIVIDUAL'S SPOUSE  
2 UNDER A DECREE OF DISSOLUTION OF MARRIAGE OR OF SEPARATE MAINTENANCE IS NOT  
3 CONSIDERED TO BE MARRIED.

4           2. A TAXPAYER IS CONSIDERED TO BE MARRIED AT THE CLOSE OF THE TAXABLE  
5 YEAR IF THE TAXPAYER'S SPOUSE DIED DURING THE TAXABLE YEAR AND THE TAXPAYER  
6 WOULD HAVE BEEN CONSIDERED MARRIED AT THE DATE OF THE DEATH OF THE SPOUSE.

7           43-1003. Policy

8           IT IS THE INTENT OF THE LEGISLATURE TO ADOPT AND ENACT THE POLICY OF  
9 PROVIDING A FAIR AND SIMPLIFIED METHOD FOR INDIVIDUAL TAXPAYERS IN THIS STATE  
10 TO COMPUTE THE INCOME TAXES DUE TO THIS STATE. THIS TAX IS CHARACTERIZED BY  
11 THE FOLLOWING OBJECTIVES:

12           1. AVOIDING NUMEROUS COMPLEX CALCULATIONS REFLECTING MULTIPLE  
13 EXEMPTIONS, DEDUCTIONS, ADDITIONS, SUBTRACTIONS AND TAX RATES. WHEN THE TAX  
14 LAW IS TOO COMPLEX, THE TAXPAYER IS ALIENATED FROM AND HOSTILE TO THE LAW.

15           2. BASING SIMPLIFIED CALCULATIONS ON A TAX BASE AT LEAST AS BROAD AS  
16 THE TAXPAYER'S ADJUSTED GROSS INCOME ON THE FEDERAL INCOME TAX RETURN.

17           3. TRANSITIONING TO A SINGLE LOW TAX RATE FOR ALL TAXPAYERS.

18           4. PROMOTING THE INTEGRITY OF THIS STATE'S TAX LAW THROUGH SIMPLICITY,  
19 FAIRNESS AND EASE OF COMPLIANCE.

20           5. BROADENING THE TAXABLE INCOME BASE SO THAT THE LOWEST POSSIBLE TAX  
21 RATE IS APPLIED TO THE TAXPAYER'S INCOME.

22           43-1004. Levy of tax

23           THERE IS LEVIED AND THE DEPARTMENT SHALL COLLECT A TAX ON THE INCOME OF  
24 EACH RESIDENT OF THIS STATE AND ON THE INCOME OF EACH NONRESIDENT THAT IS  
25 DERIVED FROM SOURCES IN THIS STATE.

26           43-1005. Computing taxable income

27           TAXABLE INCOME IS COMPUTED BEGINNING WITH THE TAXPAYER'S FEDERAL  
28 ADJUSTED GROSS INCOME, AND MAKING THE FOLLOWING ADJUSTMENTS, IF NECESSARY:

29           1. ADD THE FOLLOWING AMOUNTS, IF APPLICABLE:

30           (a) WITH RESPECT TO PROPERTY FOR WHICH AN EXPENSE DEDUCTION WAS TAKEN  
31 PURSUANT TO SECTION 179 OF THE INTERNAL REVENUE CODE, THE AMOUNT IN EXCESS OF  
32 TWENTY-FIVE THOUSAND DOLLARS.

33           (b) THE AMOUNT OF ANY DEPRECIATION ALLOWANCE ALLOWED PURSUANT TO  
34 SECTION 167(a) OF THE INTERNAL REVENUE CODE TO THE EXTENT NOT PREVIOUSLY  
35 ADDED.

36           (c) THE AMOUNT BY WHICH THE DEPRECIATION OR AMORTIZATION COMPUTED  
37 UNDER THE INTERNAL REVENUE CODE WITH RESPECT TO PROPERTY FOR WHICH A CREDIT  
38 WAS TAKEN UNDER SECTION 43-1080, 43-1081, 43-1081.01 OR 43-1090.01 EXCEEDS  
39 THE AMOUNT OF DEPRECIATION OR AMORTIZATION COMPUTED PURSUANT TO THE INTERNAL  
40 REVENUE CODE ON THE ARIZONA ADJUSTED BASIS OF THE PROPERTY.

41           (d) ANY AMOUNT OF AGRICULTURAL WATER CONSERVATION EXPENSES THAT WERE  
42 DEDUCTED PURSUANT TO THE INTERNAL REVENUE CODE FOR WHICH A CREDIT IS CLAIMED  
43 UNDER SECTION 43-1084.

1 2. SUBTRACT THE FOLLOWING AMOUNTS, IF APPLICABLE:

2 (a) INTEREST INCOME RECEIVED ON OBLIGATIONS OF THE UNITED STATES, LESS  
3 ANY INTEREST ON INDEBTEDNESS, OR OTHER RELATED EXPENSES, AND DEDUCTED IN  
4 ARRIVING AT FEDERAL ADJUSTED GROSS INCOME, WHICH WERE INCURRED OR CONTINUED  
5 TO PURCHASE OR CARRY SUCH OBLIGATIONS.

6 (b) ANY AMOUNT INCLUDED IN FEDERAL ADJUSTED GROSS INCOME PURSUANT TO  
7 SECTION 86 OF THE INTERNAL REVENUE CODE, RELATING TO TAXATION OF SOCIAL  
8 SECURITY AND RAILROAD RETIREMENT BENEFITS.

9 (c) WITH RESPECT TO PROPERTY THAT IS SOLD OR OTHERWISE DISPOSED OF  
10 DURING THE TAXABLE YEAR BY A TAXPAYER THAT COMPLIED WITH PARAGRAPH 1,  
11 SUBDIVISION (b) OF THIS SECTION WITH RESPECT TO THAT PROPERTY, THE AMOUNT OF  
12 DEPRECIATION THAT HAS BEEN ALLOWED PURSUANT TO SECTION 167(a) OF THE INTERNAL  
13 REVENUE CODE TO THE EXTENT THAT THE AMOUNT HAS NOT ALREADY REDUCED ARIZONA  
14 TAXABLE INCOME IN THE CURRENT OR PRIOR TAXABLE YEARS.

15 (d) WITH RESPECT TO PROPERTY FOR WHICH AN ADJUSTMENT WAS MADE UNDER  
16 PARAGRAPH 1, SUBDIVISION (a) OF THIS SECTION, AN AMOUNT EQUAL TO ONE-FIFTH OF  
17 THE AMOUNT OF THE ADJUSTMENT PURSUANT TO PARAGRAPH 1, SUBDIVISION (a) OF THIS  
18 SECTION IN THE YEAR IN WHICH THE AMOUNT WAS ADJUSTED UNDER PARAGRAPH 1,  
19 SUBDIVISION (a) OF THIS SECTION AND IN EACH OF THE FOLLOWING FOUR YEARS.

20 (e) UNREIMBURSED EMPLOYEE TRADE OR BUSINESS EXPENSES THAT ARE  
21 ALLOWABLE AS AN ITEMIZED DEDUCTION ON THE TAXPAYER'S FEDERAL INCOME TAX  
22 RETURN PURSUANT TO SECTION 162 OF THE INTERNAL REVENUE CODE, BUT SUBJECT TO  
23 THE LIMITATIONS PRESCRIBED BY SECTIONS 67 AND 274 OF THE INTERNAL REVENUE  
24 CODE. THIS SUBDIVISION DOES NOT ALLOW A SUBTRACTION FOR ANY AMOUNT ALREADY  
25 SUBTRACTED IN COMPUTING FEDERAL ADJUSTED GROSS INCOME.

26 (f) AMOUNTS THAT ARE ALLOWABLE AS AN ITEMIZED DEDUCTION ON THE  
27 TAXPAYER'S FEDERAL INCOME TAX RETURN AS DAMAGES FROM A JUDGMENT AWARDED TO  
28 THE TAXPAYER, BUT REDUCED BY ATTORNEY FEES AND COURT COSTS PAID BY THE  
29 TAXPAYER IN THE TAXABLE YEAR IN CONNECTION WITH THE JUDGMENT.

30 43-1006. Tax rates

31 FOR THE PURPOSES OF THIS CHAPTER, THE TAX IS DETERMINED IN THE  
32 FOLLOWING MANNER:

33 1. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2012  
34 THROUGH DECEMBER 31, 2013:

35 (a) IN THE CASE OF A SINGLE PERSON OR A MARRIED PERSON FILING  
36 SEPARATELY:

<u>IF TAXABLE INCOME IS</u>	<u>THE TAX IS</u>
37 \$0 -- \$10,000	38 2.08% OF TAXABLE INCOME
39 \$10,001 -- \$25,000	\$208 PLUS 2.25% OF THE EXCESS OVER \$10,000
40 \$25,001 -- \$50,000	\$546 PLUS 2.57% OF THE EXCESS OVER \$25,000
41 \$50,001 -- \$150,000	\$1,188 PLUS 3.65% OF THE EXCESS OVER \$50,000
42 \$150,001 AND OVER	\$4,838 PLUS 3.85% OF THE EXCESS OVER \$150,000

1 (b) IN THE CASE OF A MARRIED COUPLE FILING A JOINT RETURN OR A SINGLE  
2 PERSON WHO IS A HEAD OF A HOUSEHOLD:

<u>IF TAXABLE INCOME IS</u>	<u>THE TAX IS</u>
3 \$0 -- \$20,000	2.08% OF TAXABLE INCOME
4 \$20,001 -- \$50,000	\$416 PLUS 2.25% OF THE EXCESS OVER \$20,000
5 \$50,001 -- \$100,000	\$1,091 PLUS 2.57% OF THE EXCESS OVER \$50,000
6 \$100,001 -- \$300,000	\$2,376 PLUS 3.65% OF THE EXCESS OVER \$100,000
7 \$300,001 AND OVER	\$9,676 PLUS 3.85% OF THE EXCESS OVER \$300,000

8  
9 2. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2013  
10 THROUGH DECEMBER 31, 2014:

11 (a) IN THE CASE OF A SINGLE PERSON OR A MARRIED PERSON FILING  
12 SEPARATELY:

<u>IF TAXABLE INCOME IS</u>	<u>THE TAX IS</u>
13 \$0 -- \$25,000	2.08% OF TAXABLE INCOME
14 \$25,001 -- \$50,000	\$520 PLUS 2.25% OF THE EXCESS OVER \$25,000
15 \$50,001 -- \$150,000	\$1,082 PLUS 2.60% OF THE EXCESS OVER \$50,000
16 \$150,001 AND OVER	\$3,682 PLUS 2.95% OF THE EXCESS OVER \$150,000

17  
18 (b) IN THE CASE OF A MARRIED COUPLE FILING A JOINT RETURN OR A SINGLE  
19 PERSON WHO IS A HEAD OF A HOUSEHOLD:

<u>IF TAXABLE INCOME IS</u>	<u>THE TAX IS</u>
20 \$0 -- \$50,000	2.08% OF TAXABLE INCOME
21 \$50,001 -- \$100,000	\$1,040 PLUS 2.25% OF THE EXCESS OVER \$50,000
22 \$100,001 -- \$300,000	\$2,165 PLUS 2.60% OF THE EXCESS OVER \$100,000
23 \$300,001 AND OVER	\$7,365 PLUS 2.95% OF THE EXCESS OVER \$300,000

24  
25 3. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2014, THE  
26 TAX IS 2.08% OF TAXABLE INCOME.

27 Sec. 3. Section 43-1091, Arizona Revised Statutes, is amended to read:  
28 43-1091. Gross income of a nonresident

29 A. In the case of nonresidents, ~~Arizona gross~~ income THAT IS TAXABLE  
30 IN THIS STATE includes only that portion of federal adjusted gross income  
31 ~~which represents income~~ from sources ~~within~~ IN this state.

32 B. IN COMPUTING A NONRESIDENT INDIVIDUAL'S TAXABLE INCOME UNDER THIS  
33 CHAPTER, THE TAXPAYER SHALL ADJUST THE INCOME FROM SOURCES IN THIS STATE AS  
34 PROVIDED BY SECTION 43-1005 AND AS OTHERWISE PROVIDED BY THIS ARTICLE.

35 Sec. 4. Section 43-1094, Arizona Revised Statutes, is amended to read:  
36 43-1094. Adjusted gross income of a nonresident

37 ~~A. In computing Arizona adjusted gross income, a nonresident~~  
38 ~~individual should make such adjustments as are included in sections 43-1021~~  
39 ~~and 43-1022 which apply to income included in his Arizona gross income except~~  
40 ~~as provided in subsection B of this section.~~

41 ~~B. For a nonresident individual the exemption allowed by section~~  
42 ~~43-1022, paragraph 1 shall be~~ THROUGH DECEMBER 31, 2013 AN EXEMPTION IS  
43 allowed in an amount equal to that percentage of the exemptions set forth in  
44 section 43-1023 which his Arizona gross income is of his federal adjusted  
45 gross income.

1           Sec. 5. Section 43-1095, Arizona Revised Statutes, is amended to read:  
2           43-1095. Taxable income of a nonresident

3           A. THROUGH DECEMBER 31, 2014, in computing Arizona taxable income a  
4 nonresident taxpayer, except a member of the armed forces, shall be allowed  
5 that percentage of the exemptions set forth in section 43-1043 which the  
6 taxpayer's Arizona gross income is of the federal adjusted gross income.

7           B. In the case of a nonresident taxpayer the standard deduction  
8 allowed THROUGH DECEMBER 31, 2013 in section 43-1041 ~~and the itemized~~  
9 ~~deductions allowed in section 43-1042~~ shall be allowed in the percentage  
10 which the taxpayer's Arizona gross income is of the federal adjusted gross  
11 income.

12           Sec. 6. Section 43-1096, Arizona Revised Statutes, is amended to read:  
13           43-1096. Credit for income taxes paid by nonresident;  
14                           definitions

15           A. Subject to the following conditions, nonresidents shall be allowed  
16 a credit against taxes imposed by this title for net income taxes imposed by  
17 and paid to the state or country of residence on income taxable under this  
18 title:

19           1. The credit shall be allowed only if the state or country of  
20 residence either does not tax income of residents of this state derived from  
21 sources ~~within~~ IN that state or country or allows residents of this state a  
22 credit against taxes imposed by that state or country on the income for taxes  
23 paid or payable under this title.

24           2. The credit shall not be allowed for taxes paid to a state or  
25 country which allows its residents a credit against the taxes imposed by that  
26 state or country for income taxes paid or payable under this title  
27 irrespective of whether its residents are allowed a credit against the taxes  
28 imposed by this title for income taxes paid to that state or country.

29           3. The credit shall be allowed only for the proportion of the taxes  
30 paid to the state or country of residence as the income taxable under this  
31 title and also subject to tax in the state or country of residence bears to  
32 the entire income on which the taxes paid to the state or country of  
33 residence are imposed.

34           4. The credit shall not exceed the proportion of the tax payable under  
35 this title as the income taxable under this title and also subject to tax in  
36 the state or country of residence bears to the entire income taxable under  
37 this title.

38           B. For the purposes of this section, net income taxes imposed by  
39 another country include taxes that qualify for a credit under sections 901  
40 and 903 of the internal revenue code and the regulations under those  
41 sections.

42           C. For the purposes of this section:

43           1. "Entire income on which the taxes paid to the state or country of  
44 residence are imposed" means the other state's or country's adjusted gross  
45 income computed under the equivalent of ~~section 43-1001, but does not include~~

1 ~~any exemption allowable under the equivalent of section 43-1023~~ ARTICLE 1 OF  
2 THIS CHAPTER.

3 2. "Entire income taxable under this title" means ~~Arizona adjusted~~  
4 ~~gross TAXABLE~~ income ~~computed under section 43-1094 but does not include any~~  
5 ~~exemption allowed~~ under section ~~43-1023~~ 43-1091.

6 3. "Income taxable under this title and also subject to tax in the  
7 state or country of residence" means the portion of income that is included  
8 in entire income THAT IS taxable under this title AND that is also included  
9 in the entire income on which the taxes paid to the state or country of  
10 residence are imposed. ~~The taxpayer shall increase or reduce the portion of~~  
11 ~~income that is included in the entire income taxable under this title by any~~  
12 ~~related additions under section 43-1021 and by any related subtractions under~~  
13 ~~section 43-1022.~~ The taxpayer shall increase or reduce the portion of income  
14 that is included in the entire income on which taxes paid to the state or  
15 country of residence are imposed by any ~~related~~ additions and subtractions  
16 under the other state's ~~equivalent of sections 43-1021 and 43-1022, as~~  
17 ~~applicable~~ LAW.

18 4. "Tax payable under this title" means the income tax imposed by this  
19 state on the taxpayer's ~~taxable~~ income ~~computed under section 43-1095~~ THAT IS  
20 TAXABLE minus all of the following:

- 21 (a) The reduction amount received under section 16-954, subsection A.
  - 22 (b) Any tax credit amount claimed under section 16-954, subsection B.
  - 23 (c) Any tax credit amount claimed for the taxable year under article 5
- 24 of this chapter but not including the credit amount allowed under this  
25 section.

26 Sec. 7. Section 43-1097, Arizona Revised Statutes, is amended to read:  
27 43-1097. Change of residency status

28 A. During the tax year in which a taxpayer changes from a resident to  
29 a nonresident, ~~Arizona taxable~~ income THAT IS TAXABLE UNDER THIS TITLE shall  
30 include all of the following:

31 1. All income ~~and deductions~~ realized or recognized, or both,  
32 depending on the taxpayer's method of accounting, during the period the  
33 individual was a resident, and any income accrued by a cash basis taxpayer  
34 prior to the time the taxpayer became a nonresident of this state.

35 2. All income ~~and deductions~~ earned in Arizona or derived from Arizona  
36 sources after the time the taxpayer became a nonresident of this state.

37 B. During the tax year in which a taxpayer changes from a nonresident  
38 to a resident, ~~Arizona taxable~~ income THAT IS TAXABLE UNDER THIS TITLE shall  
39 include all of the following:

40 1. All income ~~and deductions~~ realized or recognized, or both,  
41 depending on the taxpayer's method of accounting, during the period the  
42 individual was a resident, except any income accrued by a cash basis taxpayer  
43 prior to the time the taxpayer became a resident of this state.

44 2. All income ~~and deductions~~ earned in Arizona or derived from Arizona  
45 sources prior to the time the taxpayer became a resident of this state.

1           Sec. 8. Section 43-1098, Arizona Revised Statutes, is amended to read:  
2           43-1098. Apportionment of exemptions

3           A. Any resident taxpayer, other than an active member of the armed  
4 forces of the United States or any other auxiliary branch, who commences or  
5 terminates his residency in this state during any one taxable year shall  
6 prorate the following on the basis of the proportion which such taxpayer's  
7 total Arizona gross income bears to the federal adjusted gross income:

8           1. The personal exemption provided in section 43-1043 THROUGH DECEMBER  
9 31, 2014.

10           2. The exemptions provided in section 43-1023 for the blind, for  
11 persons age sixty-five or older and for dependents THROUGH DECEMBER 31, 2013.

12           B. The percentage of exemption allowed shall be computed by dividing  
13 the taxpayer's Arizona adjusted gross income by the federal adjusted gross  
14 income.

15           Sec. 9. Task force; determination of final income tax rate;  
16 report; delayed repeal

17           A. A task force to determine the final state individual income tax  
18 rate is established consisting of:

19           1. The members of the economic estimates commission.

20           2. Two additional members, one of whom is appointed by the president  
21 of the senate and one of whom is appointed by the speaker of the house of  
22 representatives.

23           B. On or before December 31, 2011, the task force shall recommend  
24 individual income tax rates and additional changes that support the purposes  
25 of this act by broadening the taxable base to be used for the purposes of  
26 title 43, chapter 10, Arizona Revised Statutes, as amended by this act,  
27 according to the following requirements:

28           1. The rates shall reflect the calculation of individual income tax  
29 liability as provided by title 43, chapter 10, Arizona Revised Statutes, as  
30 amended by this act.

31           2. The final rate shall not exceed three per cent of individual  
32 taxable income.

33           3. The same rate shall apply with respect to single persons, married  
34 persons filing separately, married persons filing jointly and single persons  
35 who are heads of households.

36           C. The task force may use independent outside resources and expertise  
37 at the department of revenue, universities and independent private research  
38 organizations.

39           D. The task force shall report its findings and recommendations to the  
40 governor, the speaker of the house of representatives, the president of the  
41 senate, the chairpersons of the house of representatives ways and means  
42 committee and the senate finance committee, the joint legislative budget  
43 committee and the department of revenue.

44           E. This section is repealed from and after September 30, 2012.



1           Sec. 10. Conforming legislation

2           The legislative council staff shall prepare proposed legislation  
3 conforming the Arizona Revised Statutes to the provisions of this act for  
4 consideration in the fiftieth legislature, second regular session.

5           Sec. 11. Effective date

6           Sections 2 through 8 of this act are effective and apply to taxable  
7 years beginning from and after December 31, 2012.