

Senate Engrossed House Bill
apprenticeship program; income tax subtraction

State of Arizona
House of Representatives
Fifty-fifth Legislature
Second Regular Session
2022

HOUSE BILL 2290

AN ACT

AMENDING TITLE 15, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-249.17; REPEALING SECTION 15-249.17, ARIZONA REVISED STATUTES, AS ADDED BY THIS ACT; AMENDING SECTIONS 43-1022 AND 43-1122, ARIZONA REVISED STATUTES; RELATING TO THE DEPARTMENT OF EDUCATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 15, chapter 2, article 2, Arizona Revised
3 Statutes, is amended by adding section 15-249.17, to read:

4 15-249.17. Arizona student apprenticeship program;
5 definitions

6 A. THE ARIZONA STUDENT APPRENTICESHIP PROGRAM IS ESTABLISHED WITHIN
7 THE DEPARTMENT OF EDUCATION TO PROVIDE JOB TRAINING AND ECONOMIC
8 OPPORTUNITY TO HIGH SCHOOL STUDENTS IN THIS STATE. THE DEPARTMENT SHALL
9 DEVELOP APPLICATION PROCEDURES, SELECTION CRITERIA AND COMPLETION
10 REQUIREMENTS. THE ARIZONA STUDENT APPRENTICESHIP PROGRAM IS SEPARATE AND
11 APART FROM THE UNITED STATES DEPARTMENT OF LABOR-APPROVED APPRENTICESHIP
12 PROGRAM.

13 B. ANY EMPLOYER IN THIS STATE MAY APPLY TO PARTICIPATE IN THE
14 PROGRAM BY SUBMITTING AN APPLICATION TO THE DEPARTMENT. AN EMPLOYER THAT
15 PARTICIPATES IN THE PROGRAM SHALL DO ALL OF THE FOLLOWING:

16 1. PROVIDE EACH PARTICIPANT EMPLOYEE WITH JOB TRAINING.

17 2. PROVIDE FLEXIBLE SCHEDULING TO EACH PARTICIPANT EMPLOYEE SO THAT
18 THE PARTICIPANT EMPLOYEE MAY ATTEND CLASSES.

19 3. OPEN A SEPARATE INTEREST-BEARING ACCOUNT ON BEHALF OF EACH
20 PARTICIPANT EMPLOYEE.

21 4. DEPOSIT THE PORTION OF EACH PARTICIPANT EMPLOYEE'S WAGES
22 SELECTED BY THE PARTICIPANT EMPLOYEE PURSUANT TO SUBSECTION E OF THIS
23 SECTION IN THE ACCOUNT OPENED PURSUANT TO PARAGRAPH 3 OF THIS SUBSECTION.

24 5. EACH TIME THE EMPLOYER DEPOSITS A PORTION OF A PARTICIPANT
25 EMPLOYEE'S WAGES PURSUANT TO PARAGRAPH 4 OF THIS SUBSECTION, DEPOSIT AN
26 EQUIVALENT AMOUNT OF MONIES IN THE ACCOUNT OPENED PURSUANT TO PARAGRAPH 3
27 OF THIS SUBSECTION.

28 6. IF A PARTICIPANT EMPLOYEE SUCCESSFULLY COMPLETES THE PROGRAM
29 REQUIREMENTS PRESCRIBED BY THE DEPARTMENT PURSUANT TO SUBSECTION A OF THIS
30 SECTION, DISBURSE TO THE PARTICIPANT EMPLOYEE THE ENTIRE AMOUNT OF MONIES
31 IN THE ACCOUNT OPENED PURSUANT TO PARAGRAPH 3 OF THIS SUBSECTION.

32 7. IF A PARTICIPANT EMPLOYEE DOES NOT SUCCESSFULLY COMPLETE THE
33 PROGRAM REQUIREMENTS PRESCRIBED BY THE DEPARTMENT PURSUANT TO SUBSECTION A
34 OF THIS SECTION, DISBURSE TO THE PARTICIPANT EMPLOYEE FROM THE ACCOUNT
35 OPENED PURSUANT TO PARAGRAPH 3 OF THIS SUBSECTION AN AMOUNT OF MONIES THAT
36 IS EQUIVALENT TO THE SUM OF THE MONIES DEPOSITED PURSUANT TO PARAGRAPH 4
37 OF THIS SUBSECTION. THE EMPLOYER MAY RETAIN THE MONIES DEPOSITED PURSUANT
38 TO PARAGRAPH 5 OF THIS SUBSECTION AND SHALL TRANSMIT ANY INTEREST ON THOSE
39 MONIES TO THE STATE TREASURER FOR DEPOSIT IN THE STATE GENERAL FUND.

40 C. THE DEPARTMENT SHALL PREPARE A LIST THAT INCLUDES ALL EMPLOYERS
41 THAT HAVE BEEN ACCEPTED TO PARTICIPATE IN THE PROGRAM AND POST THIS LIST
42 ON THE DEPARTMENT'S WEBSITE.

43 D. A STUDENT MAY PARTICIPATE IN THE PROGRAM IF THE STUDENT MEETS
44 ALL OF THE FOLLOWING REQUIREMENTS:

45 1. IS ENROLLED IN HIGH SCHOOL AT A PUBLIC SCHOOL IN THIS STATE.

1 2. APPLIES FOR THE PROGRAM BY SUBMITTING AN APPLICATION IN A FORM
2 PRESCRIBED BY THE DEPARTMENT TO THE PUBLIC SCHOOL AT WHICH THE STUDENT IS
3 ENROLLED.

4 3. SUBMITS PROOF WITH THE STUDENT'S APPLICATION THAT THE STUDENT IS
5 PROJECTED TO COMPLETE THE HIGH SCHOOL GRADUATION REQUIREMENTS PURSUANT TO
6 SECTION 15-701.01 BY THE END OF GRADE TWELVE. IF PARTICIPATION IN THE
7 PROGRAM WILL INTERFERE WITH A STUDENT'S ABILITY TO COMPLETE THE HIGH
8 SCHOOL GRADUATION REQUIREMENTS PURSUANT TO SECTION 15-701.01 BY THE END OF
9 GRADE TWELVE, THE PUBLIC SCHOOL SHALL DENY THE STUDENT'S APPLICATION.

10 4. SUBMITS PROOF THAT THE STUDENT HAS RECEIVED AN OFFER OF
11 EMPLOYMENT FROM AN EMPLOYER ON THE LIST PREPARED PURSUANT TO SUBSECTION C
12 OF THIS SECTION.

13 E. ON BEING HIRED, A PARTICIPANT EMPLOYEE SHALL DESIGNATE A
14 PERCENTAGE OF AT LEAST TEN PERCENT OF THE PARTICIPANT EMPLOYEE'S WAGES TO
15 BE DEPOSITED IN THE ACCOUNT OPENED BY THE EMPLOYER ON BEHALF OF THE
16 PARTICIPANT EMPLOYEE PURSUANT TO SUBSECTION B, PARAGRAPH 3 OF THIS
17 SECTION.

18 F. FOR THE FIRST TAXABLE YEAR IN WHICH AN EMPLOYER THAT
19 PARTICIPATES IN THE PROGRAM EMPLOYS A PARTICIPANT EMPLOYEE WHO
20 SUCCESSFULLY COMPLETES THE PROGRAM, THE EMPLOYER IS ALLOWED AN INCOME TAX
21 SUBTRACTION AS PRESCRIBED BY SECTION 43-1022 OR 43-1122 FOR EACH
22 PARTICIPANT EMPLOYEE WHO SUCCESSFULLY COMPLETES THE PROGRAM. THE
23 DEPARTMENT OF EDUCATION SHALL ISSUE A CERTIFICATE TO THE EMPLOYER TO
24 PROVIDE TO THE DEPARTMENT OF REVENUE TO VERIFY THE EMPLOYER'S
25 PARTICIPATION IN THE PROGRAM AND ANY PARTICIPANT EMPLOYEES' COMPLETION OF
26 THE PROGRAM.

27 G. FOR THE PURPOSES OF THIS SECTION:

28 1. "DEPARTMENT" MEANS THE DEPARTMENT OF EDUCATION.

29 2. "PARTICIPANT EMPLOYEE" MEANS AN EMPLOYEE WHO PARTICIPATES IN THE
30 PROGRAM.

31 3. "PROGRAM" MEANS THE ARIZONA STUDENT APPRENTICESHIP PROGRAM
32 ESTABLISHED BY THIS SECTION.

33 Sec. 2. Delayed repeal

34 Section 15-249.17, Arizona Revised Statutes, as added by this act,
35 is repealed from and after December 31, 2030.

36 Sec. 3. Section 43-1022, Arizona Revised Statutes, is amended to
37 read:

38 43-1022. Subtractions from Arizona gross income

39 In computing Arizona adjusted gross income, the following amounts
40 shall be subtracted from Arizona gross income:

41 1. The amount of exemptions allowed by section 43-1023.

42 2. Benefits, annuities and pensions in an amount totaling not more
43 than \$2,500 received from one or more of the following:

44 (a) The United States government service retirement and disability
45 fund, the United States foreign service retirement and disability system

1 and any other retirement system or plan established by federal law, except
2 retired or retainer pay of the uniformed services of the United States
3 that qualifies for a subtraction under paragraph 26 of this section.

4 (b) The Arizona state retirement system, the corrections officer
5 retirement plan, the public safety personnel retirement system, the
6 elected officials' retirement plan, an optional retirement program
7 established by the Arizona board of regents under section 15-1628, an
8 optional retirement program established by a community college district
9 board under section 15-1451 or a retirement plan established for employees
10 of a county, city or town in this state.

11 3. A beneficiary's share of the fiduciary adjustment to the extent
12 that the amount determined by section 43-1333 decreases the beneficiary's
13 Arizona gross income.

14 4. Interest income received on obligations of the United States,
15 minus any interest on indebtedness, or other related expenses, and
16 deducted in arriving at Arizona gross income, that were incurred or
17 continued to purchase or carry such obligations.

18 5. The excess of a partner's share of income required to be
19 included under section 702(a)(8) of the internal revenue code over the
20 income required to be included under chapter 14, article 2 of this title.

21 6. The excess of a partner's share of partnership losses determined
22 pursuant to chapter 14, article 2 of this title over the losses allowable
23 under section 702(a)(8) of the internal revenue code.

24 7. The amount allowed by section 43-1025 for contributions during
25 the taxable year of agricultural crops to charitable organizations.

26 8. The portion of any wages or salaries paid or incurred by the
27 taxpayer for the taxable year that is equal to the amount of the federal
28 work opportunity credit, the empowerment zone employment credit, the
29 credit for employer paid social security taxes on employee cash tips and
30 the Indian employment credit that the taxpayer received under sections
31 45A, 45B, 51(a) and 1396 of the internal revenue code.

32 9. The amount of exploration expenses that is determined pursuant
33 to section 617 of the internal revenue code, that has been deferred in a
34 taxable year ending before January 1, 1990 and for which a subtraction has
35 not previously been made. The subtraction shall be made on a ratable
36 basis as the units of produced ores or minerals discovered or explored as
37 a result of this exploration are sold.

38 10. The amount included in federal adjusted gross income pursuant
39 to section 86 of the internal revenue code, relating to taxation of social
40 security and railroad retirement benefits.

41 11. To the extent not already excluded from Arizona gross income
42 under the internal revenue code, compensation received for active service
43 as a member of the reserves, the national guard or the armed forces of the
44 United States, including compensation for service in a combat zone as
45 determined under section 112 of the internal revenue code.

1 12. The amount of unreimbursed medical and hospital costs, adoption
2 counseling, legal and agency fees and other nonrecurring costs of adoption
3 not to exceed \$3,000. In the case of a husband and wife who file separate
4 returns, the subtraction may be taken by either taxpayer or may be divided
5 between them, but the total subtractions allowed both husband and wife may
6 not exceed \$3,000. The subtraction under this paragraph may be taken for
7 the costs that are described in this paragraph and that are incurred in
8 prior years, but the subtraction may be taken only in the year during
9 which the final adoption order is granted.

10 13. The amount authorized by section 43-1027 for the taxable year
11 relating to qualified wood stoves, wood fireplaces or gas fired
12 fireplaces.

13 14. The amount by which a net operating loss carryover or capital
14 loss carryover allowable pursuant to section 43-1029, subsection F exceeds
15 the net operating loss carryover or capital loss carryover allowable
16 pursuant to section 1341(b)(5) of the internal revenue code.

17 15. Any amount of qualified educational expenses that is
18 distributed from a qualified state tuition program determined pursuant to
19 section 529 of the internal revenue code and that is included in income in
20 computing federal adjusted gross income.

21 16. Any item of income resulting from an installment sale that has
22 been properly subjected to income tax in another state in a previous
23 taxable year and that is included in Arizona gross income in the current
24 taxable year.

25 17. For property placed in service:

26 (a) In taxable years beginning before December 31, 2012, an amount
27 equal to the depreciation allowable pursuant to section 167(a) of the
28 internal revenue code for the taxable year computed as if the election
29 described in section 168(k) of the internal revenue code had been made for
30 each applicable class of property in the year the property was placed in
31 service.

32 (b) In taxable years beginning from and after December 31, 2012
33 through December 31, 2013, an amount determined in the year the asset was
34 placed in service based on the calculation in subdivision (a) of this
35 paragraph. In the first taxable year beginning from and after
36 December 31, 2013, the taxpayer may elect to subtract the amount necessary
37 to make the depreciation claimed to date for the purposes of this title
38 the same as it would have been if subdivision (c) of this paragraph had
39 applied for the entire time the asset was in service. Subdivision (c) of
40 this paragraph applies for the remainder of the asset's life. If the
41 taxpayer does not make the election under this subdivision, subdivision
42 (a) of this paragraph applies for the remainder of the asset's life.

43 (c) In taxable years beginning from and after December 31, 2013
44 through December 31, 2015, an amount equal to the depreciation allowable
45 pursuant to section 167(a) of the internal revenue code for the taxable

1 year as computed as if the additional allowance for depreciation had been
2 ten percent of the amount allowed pursuant to section 168(k) of the
3 internal revenue code.

4 (d) In taxable years beginning from and after December 31, 2015
5 through December 31, 2016, an amount equal to the depreciation allowable
6 pursuant to section 167(a) of the internal revenue code for the taxable
7 year as computed as if the additional allowance for depreciation had been
8 fifty-five percent of the amount allowed pursuant to section 168(k) of the
9 internal revenue code.

10 (e) In taxable years beginning from and after December 31, 2016, an
11 amount equal to the depreciation allowable pursuant to section 167(a) of
12 the internal revenue code for the taxable year as computed as if the
13 additional allowance for depreciation had been the full amount allowed
14 pursuant to section 168(k) of the internal revenue code.

15 18. With respect to property that is sold or otherwise disposed of
16 during the taxable year by a taxpayer that complied with section 43-1021,
17 paragraph 11 with respect to that property, the amount of depreciation
18 that has been allowed pursuant to section 167(a) of the internal revenue
19 code to the extent that the amount has not already reduced Arizona taxable
20 income in the current or prior taxable years.

21 19. The amount contributed during the taxable year to college
22 savings plans established pursuant to section 529 of the internal revenue
23 code on behalf of the designated beneficiary to the extent that the
24 contributions were not deducted in computing federal adjusted gross
25 income. The amount subtracted may not exceed:

26 (a) \$2,000 per beneficiary for a single individual or a head of
27 household.

28 (b) \$4,000 per beneficiary for a married couple filing a joint
29 return. In the case of a husband and wife who file separate returns, the
30 subtraction may be taken by either taxpayer or may be divided between
31 them, but the total subtractions allowed both husband and wife may not
32 exceed \$4,000 per beneficiary.

33 20. The portion of the net operating loss carryforward that would
34 have been allowed as a deduction in the current year pursuant to section
35 172 of the internal revenue code if the election described in section
36 172(b)(1)(H) of the internal revenue code had not been made in the year of
37 the loss that exceeds the actual net operating loss carryforward that was
38 deducted in arriving at federal adjusted gross income. This subtraction
39 only applies to taxpayers who made an election under section 172(b)(1)(H)
40 of the internal revenue code as amended by section 1211 of the American
41 recovery and reinvestment act of 2009 (P.L. 111-5) or as amended by
42 section 13 of the worker, homeownership, and business assistance act of
43 2009 (P.L. 111-92).

1 21. For taxable years beginning from and after December 31, 2013,
2 the amount of any net capital gain included in federal adjusted gross
3 income for the taxable year derived from investment in a qualified small
4 business as determined by the Arizona commerce authority pursuant to
5 section 41-1518.

6 22. An amount of any net long-term capital gain included in federal
7 adjusted gross income for the taxable year that is derived from an
8 investment in an asset acquired after December 31, 2011, as follows:

9 (a) For taxable years beginning from and after December 31, 2012
10 through December 31, 2013, ten percent of the net long-term capital gain
11 included in federal adjusted gross income.

12 (b) For taxable years beginning from and after December 31, 2013
13 through December 31, 2014, twenty percent of the net long-term capital
14 gain included in federal adjusted gross income.

15 (c) For taxable years beginning from and after December 31, 2014,
16 twenty-five percent of the net long-term capital gain included in federal
17 adjusted gross income. For the purposes of this paragraph, a transferee
18 that receives an asset by gift or at the death of a transferor is
19 considered to have acquired the asset when the asset was acquired by the
20 transferor. If the date an asset is acquired cannot be verified, a
21 subtraction under this paragraph is not allowed.

22 23. If an individual is not claiming itemized deductions pursuant
23 to section 43-1042, the amount of premium costs for long-term care
24 insurance, as defined in section 20-1691.

25 24. The amount of eligible access expenditures paid or incurred
26 during the taxable year to comply with the requirements of the Americans
27 with disabilities act of 1990 (P.L. 101-336) or title 41, chapter 9,
28 article 8 as provided by section 43-1024.

29 25. For taxable years beginning from and after December 31, 2017,
30 the amount of any net capital gain included in Arizona gross income for
31 the taxable year that is derived from the exchange of one kind of legal
32 tender for another kind of legal tender. For the purposes of this
33 paragraph:

34 (a) "Legal tender" means a medium of exchange, including specie,
35 that is authorized by the United States Constitution or Congress to pay
36 debts, public charges, taxes and dues.

37 (b) "Specie" means coins having precious metal content.

38 26. Benefits, annuities and pensions received as retired or
39 retainer pay of the uniformed services of the United States in amounts as
40 follows:

41 (a) For taxable years through December 31, 2018, an amount totaling
42 not more than \$2,500.

43 (b) For taxable years beginning from and after December 31, 2018
44 through December 31, 2020, an amount totaling not more than \$3,500.

1 (c) For taxable years beginning from and after December 31, 2020,
2 the full amount received.

3 27. For taxable years beginning from and after December 31, 2020,
4 the amount contributed during the taxable year to an achieving a better
5 life experience account established pursuant to section 529A of the
6 internal revenue code on behalf of the designated beneficiary to the
7 extent that the contributions were not deducted in computing federal
8 adjusted gross income. The amount subtracted may not exceed:

9 (a) \$2,000 per beneficiary for a single individual or a head of
10 household.

11 (b) \$4,000 per beneficiary for a married couple filing a joint
12 return. In the case of a husband and wife who file separate returns, the
13 subtraction may be taken by either taxpayer or may be divided between
14 them, but the total subtractions allowed both husband and wife may not
15 exceed \$4,000 per beneficiary.

16 28. For taxable years beginning from and after December 31, 2020,
17 Arizona small business adjusted gross income, ~~but~~ but only if an individual
18 taxpayer has elected to separately report and pay tax on the taxpayer's
19 Arizona small business adjusted gross income on the Arizona small business
20 income tax return.

21 29. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2022
22 THROUGH DECEMBER 31, 2030, THE AMOUNT THAT THE EMPLOYER DEPOSITS PURSUANT
23 TO SECTION 15-249.17, SUBSECTION B, PARAGRAPH 5 AND DISBURSES TO
24 PARTICIPANT EMPLOYEES PURSUANT TO SECTION 15-249.17, SUBSECTION B,
25 PARAGRAPH 6 DURING THE FIRST TAXABLE YEAR THAT THE TAXPAYER EMPLOYS
26 PARTICIPANT EMPLOYEES WHO SUCCESSFULLY COMPLETE THE STUDENT APPRENTICESHIP
27 PROGRAM ESTABLISHED BY SECTION 15-249.17.

28 Sec. 4. Section 43-1122, Arizona Revised Statutes, is amended to
29 read:

30 43-1122. Subtractions from Arizona gross income;
31 corporations

32 In computing Arizona taxable income for a corporation, the following
33 amounts shall be subtracted from Arizona gross income:

34 1. The excess of a partner's share of income required to be
35 included under section 702(a)(8) of the internal revenue code over the
36 income required to be included under chapter 14, article 2 of this title.

37 2. The excess of a partner's share of partnership losses determined
38 pursuant to chapter 14, article 2 of this title over the losses allowable
39 under section 702(a)(8) of the internal revenue code.

40 3. The amount allowed by section 43-1025 for contributions during
41 the taxable year of agricultural crops to charitable organizations.

42 4. The portion of any wages or salaries paid or incurred by the
43 taxpayer for the taxable year that is equal to the amount of the federal
44 work opportunity credit, the empowerment zone employment credit, the
45 credit for employer paid social security taxes on employee cash tips and

1 the Indian employment credit that the taxpayer received under sections
2 45A, 45B, 51(a) and 1396 of the internal revenue code.

3 5. With respect to property that is sold or otherwise disposed of
4 during the taxable year by a taxpayer that complied with section 43-1121,
5 paragraph 4 with respect to that property, the amount of depreciation that
6 has been allowed pursuant to section 167(a) of the internal revenue code
7 to the extent that the amount has not already reduced Arizona taxable
8 income in the current taxable year or prior taxable years.

9 6. With respect to a financial institution as defined in section
10 6-101, expenses and interest relating to tax-exempt income disallowed
11 pursuant to section 265 of the internal revenue code.

12 7. Dividends received from another corporation owned or controlled
13 directly or indirectly by a recipient corporation. For the purposes of
14 this paragraph, "control" means direct or indirect ownership or control of
15 fifty percent or more of the voting stock of the payor corporation by the
16 recipient corporation. Dividends shall have the meaning provided in
17 section 316 of the internal revenue code. This subtraction shall apply
18 without regard to section 43-961, paragraph 2 and article 4 of this
19 chapter.

20 8. Interest income received on obligations of the United States.

21 9. The amount of dividend income from foreign corporations. For
22 the purposes of this paragraph, gross up income as described in section 78
23 of the internal revenue code, global intangible low-taxed income as
24 defined in section 951A of the internal revenue code and subpart F income
25 as defined in section 952 of the internal revenue code shall be considered
26 foreign dividends.

27 10. The amount of net operating loss allowed by section 43-1123.

28 11. The amount of any state income tax refunds received that were
29 included as income in computing federal taxable income.

30 12. The amount of expense recapture included in income pursuant to
31 section 617 of the internal revenue code for mine exploration expenses.

32 13. The amount of deferred exploration expenses allowed by section
33 43-1127.

34 14. The amount of exploration expenses related to the exploration
35 of oil, gas or geothermal resources, computed in the same manner and on
36 the same basis as a deduction for mine exploration pursuant to section 617
37 of the internal revenue code. This computation is subject to the
38 adjustments contained in section 43-1121, paragraph 10 and paragraphs 12
39 and 13 of this section relating to exploration expenses.

40 15. The amortization of pollution control devices allowed by
41 section 43-1129.

42 16. The amount of amortization of the cost of child care facilities
43 pursuant to section 43-1130.

1 17. The amount of income from a domestic international sales
2 corporation required to be included in the income of its shareholders
3 pursuant to section 995 of the internal revenue code.

4 18. The income of an insurance company that is exempt under section
5 43-1201 to the extent that it is included in computing Arizona gross
6 income on a consolidated return pursuant to section 43-947.

7 19. The amount by which a capital loss carryover allowable pursuant
8 to section 43-1130.01, subsection F exceeds the capital loss carryover
9 allowable pursuant to section 1341(b)(5) of the internal revenue code.

10 20. An amount equal to the depreciation allowable pursuant to
11 section 167(a) of the internal revenue code for the taxable year computed
12 as if the election described in section 168(k)(7) of the internal revenue
13 code had been made for each applicable class of property in the year the
14 property was placed in service.

15 21. The amount of eligible access expenditures paid or incurred
16 during the taxable year to comply with the requirements of the Americans
17 with disabilities act of 1990 (P.L. 101-336) or title 41, chapter 9,
18 article 8 as provided by section 43-1124.

19 22. For taxable years beginning from and after December 31, 2017,
20 the amount of any net capital gain included in Arizona gross income for
21 the taxable year that is derived from the exchange of one kind of legal
22 tender for another kind of legal tender. For the purposes of this
23 paragraph:

24 (a) "Legal tender" means a medium of exchange, including specie,
25 that is authorized by the United States Constitution or Congress to pay
26 debts, public charges, taxes and dues.

27 (b) "Specie" means coins having precious metal content.

28 23. With respect to a public service corporation operating a water
29 system or sewage disposal facility, the amount of monies or property
30 received as a contribution in aid of construction. For the purposes of
31 this paragraph:

32 (a) "Contribution in aid of construction" means any amount of
33 monies or other property contributed to a public service corporation that
34 provides water or sewage disposal services to the extent that the purpose
35 of the contribution is to provide for expanding, improving or replacing
36 the public service corporation's water system or sewage disposal
37 facilities, including any amount of monies or other property contributed
38 to a public service corporation for a water system or sewage disposal
39 facility subject to a contingent obligation to repay the amount, in whole
40 or in part, to the contributor.

41 (b) "Public service corporation" means a public service corporation
42 as defined in article XV, section 2, Constitution of Arizona, that is
43 regulated by the corporation commission.

1 24. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2022
2 THROUGH DECEMBER 31, 2030, THE AMOUNT THAT THE EMPLOYER DEPOSITS PURSUANT
3 TO SECTION 15-249.17, SUBSECTION B, PARAGRAPH 5 AND DISBURSES TO
4 PARTICIPANT EMPLOYEES PURSUANT TO SECTION 15-249.17, SUBSECTION B,
5 PARAGRAPH 6 DURING THE FIRST TAXABLE YEAR THAT THE TAXPAYER EMPLOYS
6 PARTICIPANT EMPLOYEES WHO SUCCESSFULLY COMPLETE THE STUDENT APPRENTICESHIP
7 PROGRAM ESTABLISHED BY SECTION 15-249.17.