

REFERENCE TITLE: dependent tax credit; additional amount

State of Arizona
House of Representatives
Fifty-sixth Legislature
First Regular Session
2023

HB 2501

Introduced by
Representatives Gress: Carter, Heap, Hendrix, Smith, Wilmeth

AN ACT

AMENDING SECTION 43-1073.01, ARIZONA REVISED STATUTES; RELATING TO THE
TAXATION OF INCOME.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 43-1073.01, Arizona Revised Statutes, is amended
3 to read:

4 43-1073.01. Dependent tax credit

5 A. A credit is allowed against the taxes imposed by this title for
6 a taxable year for each dependent of a taxpayer as provided by this
7 section.

8 B. For taxpayers whose federal adjusted gross income is less than
9 \$200,000 for a taxpayer who is a single person, a married person filing
10 separately or a head of household or is less than \$400,000 for a married
11 couple filing a joint return, the amount of the credit is:

12 1. \$100 for each dependent who is under seventeen years of age at
13 the end of the taxable year. **A TAXPAYER WHO IS OR WHOSE SPOUSE IS PREGNANT
14 DURING THE TAXABLE YEAR BEFORE THE TAXABLE YEAR IN WHICH THE DEPENDENT IS
15 BORN MAY INCREASE THE CREDIT AMOUNT ALLOWED UNDER THIS PARAGRAPH FOR THE
16 TAXABLE YEAR IN WHICH THE DEPENDENT IS BORN BY THE AMOUNT ALLOWED UNDER
17 THIS PARAGRAPH PRORATED BASED ON THE NUMBER OF MONTHS THE TAXPAYER OR THE
18 TAXPAYER'S SPOUSE WAS PREGNANT DURING THE TAXABLE YEAR BEFORE THE TAXABLE
19 YEAR IN WHICH THE DEPENDENT IS BORN.**

20 2. \$25 for each dependent who is at least seventeen years of age at
21 the end of the taxable year.

22 C. For taxpayers whose federal adjusted gross income is \$200,000 or
23 more for a taxpayer who is a single person, a married person filing
24 separately or a head of household or is \$400,000 or more for a married
25 couple filing a joint return, the amount of the credit is:

26 1. \$100 minus five percent for each \$1,000, or fraction thereof, by
27 which the taxpayer's federal adjusted gross income exceeds the applicable
28 threshold provided in this subsection for each dependent who is under
29 seventeen years of age at the end of the taxable year. **A TAXPAYER WHO IS
30 OR WHOSE SPOUSE IS PREGNANT DURING THE TAXABLE YEAR BEFORE THE TAXABLE
31 YEAR IN WHICH THE DEPENDENT IS BORN MAY INCREASE THE CREDIT AMOUNT ALLOWED
32 UNDER THIS PARAGRAPH FOR THE TAXABLE YEAR IN WHICH THE DEPENDENT IS BORN
33 BY THE AMOUNT ALLOWED UNDER THIS PARAGRAPH PRORATED BASED ON THE NUMBER OF
34 MONTHS THE TAXPAYER OR THE TAXPAYER'S SPOUSE WAS PREGNANT DURING THE
35 TAXABLE YEAR BEFORE THE TAXABLE YEAR IN WHICH THE DEPENDENT IS BORN.**

36 2. \$25 minus five percent for each \$1,000, or fraction thereof, by
37 which the taxpayer's federal adjusted gross income exceeds the applicable
38 threshold provided in this subsection for each dependent who is at least
39 seventeen years of age at the end of the taxable year.

40 D. In the case of a nonresident or part-year resident taxpayer, the
41 credit allowed under this section is allowed in the percentage that the
42 taxpayer's Arizona gross income is of the federal adjusted gross income.

43 Sec. 2. Applicability

44 This act applies to taxable years beginning from and after December
45 31, 2022.