

REFERENCE TITLE: food; municipal tax; exemption..

State of Arizona
Senate
Fifty-sixth Legislature
First Regular Session
2023

SB 1089

Introduced by
Senator Kern

AN ACT

AMENDING SECTION 42-6015, ARIZONA REVISED STATUTES; RELATING TO MUNICIPAL TRANSACTION PRIVILEGE TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-6015, Arizona Revised Statutes, is amended to
3 read:

4 42-6015. Municipal transaction privilege tax; food; exemption

5 A. If a city, town or other taxing jurisdiction imposes a
6 transaction privilege, sales, use, franchise or other similar tax or fee,
7 however denominated, on:

8 ~~1. The sale of food items intended for human consumption as defined~~
9 ~~by rule adopted pursuant to section 42-5106 or items prescribed by section~~
10 ~~42-5106, subsection D for home consumption, the tax must be applied~~
11 ~~uniformly with respect to all food, and an additional tax or fee~~
12 ~~differential may not be assessed or applied with respect to any specific~~
13 ~~food item.~~

14 ~~2.~~ the sale of food items intended for human consumption as defined
15 by rule adopted pursuant to section 42-5106 or items prescribed by section
16 42-5106, subsection D for consumption on the premises, the tax must be
17 applied uniformly with respect to all food items, and an additional tax or
18 fee differential may not be assessed or applied with respect to any
19 specific food item.

20 B. A city, town or other taxing jurisdiction may not levy a
21 transaction privilege, sales, use, franchise or other similar tax or fee,
22 however denominated, with respect to:

23 1. THE SALE OF FOOD ITEMS INTENDED FOR HUMAN CONSUMPTION AS DEFINED
24 BY RULE ADOPTED PURSUANT TO SECTION 42-5106 OR ITEMS PRESCRIBED BY SECTION
25 42-5106, SUBSECTION D FOR HOME CONSUMPTION.

26 ~~1.~~ 2. The manufacture, wholesale or distribution to or among any
27 wholesalers, distributors or retailers, of food items intended for human
28 consumption as defined by rule adopted pursuant to section 42-5106 or
29 items prescribed by section 42-5106, subsection D for home consumption or
30 for consumption on the premises.

31 ~~2.~~ 3. Any container or packaging used exclusively for
32 transporting, protecting or consuming food items intended for human
33 consumption as defined by rule adopted pursuant to section 42-5106 or
34 items prescribed by section 42-5106, subsection D for home consumption or
35 for consumption on the premises.

36 ~~3.~~ 4. The sale of food or other items purchased with United States
37 department of agriculture food stamp coupons issued under the food stamp
38 act of 1977 (P.L. 95-113; 91 Stat. 958) or food instruments issued under
39 section 17 of the child nutrition act (P.L. 95-627; 92 Stat. 3603;
40 P.L. 99-661, section 4302; 42 United States Code section 1786) but may
41 impose such a tax consistent with this section on other sales of food.

42 ~~4.~~ 5. The sale of low or reduced-cost articles of food or drink to
43 eligible elderly or homeless persons or persons with a disability by a
44 business subject to tax under the restaurant classification pursuant to
45 section 42-5074 that contracts with the department of economic security

1 and that is approved by the food and nutrition service of the United
2 States department of agriculture pursuant to the supplemental nutrition
3 assistance program established by the food and nutrition act of 2008
4 (7 United States Code sections 2011 through 2036c), if the purchases are
5 made with the benefits issued pursuant to the supplemental nutrition
6 assistance program.

7 Sec. 2. Applicability

8 This act applies to taxable periods on or after the first day of the
9 month following the general effective date.