

REFERENCE TITLE: assessed valuation; class one property

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

SB 1276

Introduced by
Senator Mesnard

AN ACT

AMENDING SECTIONS 42-13054 AND 42-15001, ARIZONA REVISED STATUTES;
RELATING TO PROPERTY TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-13054, Arizona Revised Statutes, is amended
3 to read:

4 42-13054. Taxable value of personal property; depreciated
5 values of personal property in class one, class
6 two (P) and class six

7 A. The taxable value of personal property that is valued by the
8 county assessor is the result of acquisition cost less any appropriate
9 depreciation as prescribed by tables adopted by the department. The
10 taxable value shall not exceed the market value.

11 B. Except as provided in subsection C of this section and
12 notwithstanding any other statute, the assessor shall adjust the
13 depreciation schedules prescribed by the department as follows to
14 determine the valuation of personal property:

15 1. For personal property that is initially classified during tax
16 year 1994 through tax year 2007 as class one, paragraph 8, 9, 10 or 13
17 pursuant to section 42-12001 and personal property that is initially
18 classified during tax year 1995 through tax year 2007 as class two (P)
19 pursuant to section 42-12002:

20 (a) For the first tax year of assessment, the assessor shall use
21 thirty-five percent of the scheduled depreciated value.

22 (b) For the second tax year of assessment, the assessor shall use
23 fifty-one percent of the scheduled depreciated value.

24 (c) For the third tax year of assessment, the assessor shall use
25 sixty-seven percent of the scheduled depreciated value.

26 (d) For the fourth tax year of assessment, the assessor shall use
27 eighty-three percent of the scheduled depreciated value.

28 (e) For the fifth and subsequent tax years of assessment, the
29 assessor shall use the scheduled depreciated value as prescribed in the
30 department's guidelines.

31 2. For personal property that is initially classified during tax
32 year 2008 through tax year 2011 as class one, paragraph 8, 9, 10 or 13
33 pursuant to section 42-12001 and personal property that is initially
34 classified during tax year 2008 through tax year 2011 as class two (P)
35 pursuant to section 42-12002:

36 (a) For the first tax year of assessment, the assessor shall use
37 thirty percent of the scheduled depreciated value.

38 (b) For the second tax year of assessment, the assessor shall use
39 forty-six percent of the scheduled depreciated value.

40 (c) For the third tax year of assessment, the assessor shall use
41 sixty-two percent of the scheduled depreciated value.

42 (d) For the fourth tax year of assessment, the assessor shall use
43 seventy-eight percent of the scheduled depreciated value.

44 (e) For the fifth tax year of assessment, the assessor shall use
45 ninety-four percent of the scheduled depreciated value.

1 (f) For the sixth and subsequent tax years of assessment, the
2 assessor shall use the scheduled depreciated value as prescribed in the
3 department's guidelines.

4 3. For personal property that is initially classified during tax
5 year 2012 through tax year 2021 as class one, paragraph 8, 9, 10 or 13
6 pursuant to section 42-12001, personal property that is initially
7 classified during tax year 2012 through tax year 2021 as class two (P)
8 pursuant to section 42-12002 and personal property that is acquired during
9 tax year 2017 through tax year 2021 and initially classified during tax
10 year 2018 through tax year 2021 as class six pursuant to section 42-12006,
11 paragraph 2 or 3:

12 (a) For the first tax year of assessment, the assessor shall use
13 twenty-five percent of the scheduled depreciated value.

14 (b) For the second tax year of assessment, the assessor shall use
15 forty-one percent of the scheduled depreciated value.

16 (c) For the third tax year of assessment, the assessor shall use
17 fifty-seven percent of the scheduled depreciated value.

18 (d) For the fourth tax year of assessment, the assessor shall use
19 seventy-three percent of the scheduled depreciated value.

20 (e) For the fifth tax year of assessment, the assessor shall use
21 eighty-nine percent of the scheduled depreciated value.

22 (f) For the sixth and subsequent tax years of assessment, the
23 assessor shall use the scheduled depreciated value as prescribed in the
24 department's guidelines.

25 4. NOTWITHSTANDING PARAGRAPHS 1, 2 AND 3 OF THIS SUBSECTION, FOR
26 PERSONAL PROPERTY THAT IS INITIALLY CLASSIFIED BEFORE TAX YEAR 2022 AS
27 CLASS ONE, PARAGRAPH 8, 9, 10 OR 13 PURSUANT TO SECTION 42-12001, PERSONAL
28 PROPERTY THAT IS INITIALLY CLASSIFIED BEFORE TAX YEAR 2022 AS CLASS TWO
29 (P) PURSUANT TO SECTION 42-12002 AND PERSONAL PROPERTY THAT WAS ACQUIRED
30 BEFORE TAX YEAR 2022 AND INITIALLY CLASSIFIED BEFORE TAX YEAR 2022 AS
31 CLASS SIX PURSUANT TO SECTION 42-12006, PARAGRAPH 2 OR 3:

32 (a) FOR THE SECOND TAX YEAR OF ASSESSMENT, THE ASSESSOR SHALL USE
33 TWENTY-SIX PERCENT OF THE SCHEDULED DEPRECIATED VALUE.

34 (b) FOR THE THIRD TAX YEAR OF ASSESSMENT, THE ASSESSOR SHALL USE
35 FORTY-TWO PERCENT OF THE SCHEDULED DEPRECIATED VALUE.

36 (c) FOR THE FOURTH TAX YEAR OF ASSESSMENT, THE ASSESSOR SHALL USE
37 FIFTY-EIGHT PERCENT OF THE SCHEDULED DEPRECIATED VALUE.

38 (d) FOR THE FIFTH TAX YEAR OF ASSESSMENT, THE ASSESSOR SHALL USE
39 SEVENTY-FOUR PERCENT OF THE SCHEDULED DEPRECIATED VALUE.

40 (e) FOR THE SIXTH AND SUBSEQUENT TAX YEARS OF ASSESSMENT, THE
41 ASSESSOR SHALL USE THE SCHEDULED DEPRECIATED VALUE AS PRESCRIBED IN THE
42 DEPARTMENT'S GUIDELINES.

43 ~~4.~~ 5. For personal property that is initially classified during or
44 after tax year 2022 as class one, paragraph 8, 9, 10 or 13 pursuant to
45 section 42-12001, personal property that is initially classified during or

1 after tax year 2022 as class two (P) pursuant to section 42-12002 and
2 personal property that is acquired during or after tax year 2022 and
3 initially classified during or after tax year 2022 as class six pursuant
4 to section 42-12006, paragraph 2 or 3, the assessor shall use a valuation
5 factor of two and one-half percent.

6 C. The additional depreciation prescribed in subsection B of this
7 section:

- 8 1. Does not apply to any property valued by the department.
- 9 2. Shall not reduce the valuation below the minimum value
10 prescribed by the department for property in use.

11 Sec. 2. Section 42-15001, Arizona Revised Statutes, is amended to
12 read:

13 42-15001. Assessed valuation of class one property

14 The assessed valuation of class one property described in section
15 42-12001 is the following percentage of its full cash value or limited
16 valuation, as applicable:

- 17 1. Twenty-five percent through December 31, 2005.
- 18 2. Twenty-four and one-half percent beginning from and after
19 December 31, 2005 through December 31, 2006.
- 20 3. Twenty-four percent beginning from and after December 31, 2006
21 through December 31, 2007.
- 22 4. Twenty-three percent beginning from and after December 31, 2007
23 through December 31, 2008.
- 24 5. Twenty-two percent beginning from and after December 31, 2008
25 through December 31, 2009.
- 26 6. Twenty-one percent beginning from and after December 31, 2009
27 through December 31, 2010.
- 28 7. Twenty percent beginning from and after December 31, 2010
29 through December 31, 2012.
- 30 8. Nineteen and one-half percent beginning from and after
31 December 31, 2012 through December 31, 2013.
- 32 9. Nineteen percent beginning from and after December 31, 2013
33 through December 31, 2014.
- 34 10. Eighteen and one-half percent beginning from and after
35 December 31, 2014 through December 31, 2015.
- 36 11. Eighteen percent beginning from and after December 31, 2015
37 through December 31, 2021.
- 38 12. Seventeen and one-half percent beginning from and after
39 December 31, 2021 through December 31, 2022.
- 40 13. Seventeen percent beginning from and after December 31, 2022
41 through December 31, 2023.
- 42 14. Sixteen ~~and one-half~~ percent beginning from and after December
43 31, 2023 through December 31, 2024.

1 ~~15. Sixteen percent beginning from and after December 31, 2024~~
2 ~~through December 31, 2025.~~
3 ~~16. Fifteen and one-half percent beginning from and after~~
4 ~~December 31, 2025 through December 31, 2026.~~
5 ~~17.~~ 15. Fifteen percent beginning from and after December 31,
6 2026 2024.
7 Sec. 3. Applicability
8 This act applies to tax years beginning from and after December 31,
9 2023.