

REFERENCE TITLE: tax credit; TPT; residential rent

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

SB 1686

Introduced by

Senators Epstein: Alston, Burch, Diaz, Fernandez, Gabaldón, Hatathlie,
Hernandez, Marsh, Mendez, Miranda, Sundareshan, Terán; Representative
Salman

AN ACT

AMENDING SECTION 43-222, ARIZONA REVISED STATUTES; AMENDING TITLE 43,
CHAPTER 10, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION
43-1072.03; RELATING TO INDIVIDUAL INCOME TAX CREDITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 43-222, Arizona Revised Statutes, is amended to
3 read:

4 43-222. Income tax credit review schedule

5 The joint legislative income tax credit review committee shall
6 review the following income tax credits:

7 1. For years ending in 0 and 5, sections 43-1079.01, 43-1088,
8 43-1089.04, 43-1167.01 and 43-1175.

9 2. For years ending in 1 and 6, sections 43-1072.02, 43-1074.02,
10 43-1075, 43-1076.01, 43-1077, 43-1078, 43-1083, 43-1083.02, 43-1162,
11 43-1164.03 and 43-1183.

12 3. For years ending in 2 and 7, sections 43-1073, 43-1082, 43-1085,
13 43-1086, 43-1089, 43-1089.01, 43-1089.02, 43-1089.03, 43-1164,
14 43-1165, and 43-1181.

15 4. For years ending in 3 and 8, sections 43-1072.03, 43-1074.01,
16 43-1168, 43-1170 and 43-1178.

17 5. For years ending in 4 and 9, sections 43-1073.01, 43-1081.01,
18 43-1083.03, 43-1084, 43-1164.04, 43-1164.05 and 43-1184.

19 Sec. 2. Title 43, chapter 10, article 5, Arizona Revised Statutes,
20 is amended by adding section 43-1072.03, to read:

21 43-1072.03. Credit for transaction privilege taxes paid on
22 residential rent

23 A. A CREDIT IS ALLOWED AGAINST THE TAXES IMPOSED BY THIS CHAPTER
24 FOR A TAXABLE YEAR FOR A TAXPAYER WHO PAYS RESIDENTIAL RENT FOR A PERIOD
25 OF AT LEAST THIRTY DAYS IN THIS STATE AND WHOSE FEDERAL ADJUSTED GROSS
26 INCOME IS:

27 1. \$70,000 OR LESS FOR A SINGLE INDIVIDUAL.

28 2. \$140,000 OR LESS FOR A MARRIED COUPLE FILING A JOINT RETURN OR A
29 HEAD OF HOUSEHOLD.

30 B. THE AMOUNT OF THE CREDIT IS THE AMOUNT PROVIDED TO THE TAXPAYER
31 PURSUANT TO SUBSECTION F OF THIS SECTION.

32 C. IF THE ALLOWABLE AMOUNT OF THE CREDIT EXCEEDS THE INCOME TAXES
33 OTHERWISE DUE ON THE CLAIMANT'S INCOME, THE AMOUNT OF THE CLAIM NOT USED
34 AS AN OFFSET AGAINST INCOME TAXES SHALL BE PAID IN THE SAME MANNER AS A
35 REFUND GRANTED UNDER SECTION 42-1118. REFUNDS MADE PURSUANT TO THIS
36 SUBSECTION ARE SUBJECT TO SETOFF UNDER SECTION 42-1122.

37 D. A COUPLE WHO FILES SEPARATE RETURNS FOR A TAXABLE YEAR IN WHICH
38 THEY COULD HAVE FILED A JOINT RETURN MAY EACH CLAIM ONLY ONE-HALF OF THE
39 CREDIT THAT WOULD HAVE BEEN ALLOWED ON A JOINT RETURN.

40 E. THE DEPARTMENT SHALL PRESCRIBE AND MAKE AVAILABLE SUITABLE FORMS
41 WITH INSTRUCTIONS FOR CLAIMANTS. CLAIMANTS WHO CERTIFY ON THE FORM THAT
42 THEY HAVE NO INCOME TAX LIABILITY FOR THE TAXABLE YEAR AND WHO DO NOT MEET
43 THE FILING REQUIREMENTS OF SECTION 43-301 ARE NOT REQUIRED TO FILE AN
44 INDIVIDUAL INCOME TAX RETURN.

1 F. ON OR BEFORE THE END OF EACH TAXABLE YEAR, AN OWNER OF REAL
2 PROPERTY THAT IS RENTED OR LEASED FOR RESIDENTIAL PURPOSES FOR A PERIOD OF
3 AT LEAST THIRTY DAYS AND THAT IS REQUIRED TO PAY TRANSACTION PRIVILEGE TAX
4 ON RESIDENTIAL RENT SHALL PROVIDE A STATEMENT TO EACH TENANT THAT STATES
5 THE AMOUNT OF TRANSACTION PRIVILEGE TAX PAID ON THE TENANT'S RESIDENTIAL
6 RENT DURING THE TAXABLE YEAR.

7 Sec. 3. Purpose

8 Pursuant to section 43-223, Arizona Revised Statutes, the
9 legislature enacts section 43-1072.03 to provide relief for taxpayers that
10 are affected by a city or town that levies a transaction privilege tax on
11 residential rent.

12 Sec. 4. Short title

13 This act may be cited as the "Renter's Rebate Act".