

REFERENCE TITLE: **income tax; rebate; seniors**

State of Arizona
Senate
Fifty-sixth Legislature
Second Regular Session
2024

SB 1148

Introduced by
Senators Kern: Hoffman, Mesnard, Rogers, Wadsack; Representatives
Chaplik, Heap, Hendrix, Jones, McGarr, Pingerelli, Smith

AN ACT

PROVIDING FOR AN INDIVIDUAL INCOME TAX GENERAL WELFARE REBATE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Individual income tax general welfare rebate;
3 eligibility; claim application; subtraction from
4 Arizona gross income; appeal; report;
5 legislative findings; delayed repeal;
6 definitions

7 A. The department of revenue shall issue a onetime individual
8 income tax general welfare rebate to an Arizona taxpayer who filed a
9 full-year resident tax return for taxable year 2022, was fifty-five years
10 of age or older during taxable year 2022 and who meets one of the
11 following qualifications:

12 1. Had a tax liability of at least \$1 on the filed full-year
13 resident tax return for taxable year 2022.

14 2. If the taxpayer does not meet the tax liability requirement for
15 taxable year 2022, filed a full-year resident tax return for taxable year
16 2021 under the identical filing status used on the taxpayer's taxable year
17 2022 full-year resident tax return and had a tax liability of at least \$1
18 on the full-year resident tax return for taxable year 2021.

19 3. If the taxpayer does not meet the tax liability requirement for
20 taxable year 2022 or 2021, filed a full-year resident tax return for
21 taxable year 2020 under the identical filing status used on the taxpayer's
22 full-year resident tax returns for taxable years 2021 and 2022 and had a
23 tax liability of at least \$1 on the full-year resident tax return for
24 taxable year 2020.

25 B. If the taxpayer does not meet any of the requirements in
26 subsection A of this section, the department of revenue shall conclude
27 that the taxpayer does not meet the criteria to be issued a rebate under
28 this section.

29 C. One rebate will be issued for each full-year resident tax return
30 for taxable year 2022 that qualifies under subsection A of this section.
31 The primary taxpayer's taxpayer identification number as reported on the
32 taxpayer's full-year resident tax return for taxable year 2022 shall be
33 used as needed in subsection A of this section for matching and
34 verification purposes.

35 D. The department of revenue shall issue to a qualifying taxpayer a
36 rebate of \$____. For a married couple filing a joint return where only one
37 spouse is fifty-five years of age or older, a rebate will be only issued
38 for that spouse.

39 E. If a qualifying taxpayer is deceased, the taxpayer's surviving
40 spouse, personal representative or executor or another official
41 representative of the estate designated pursuant to applicable state law
42 may receive the rebate for the deceased taxpayer.

1 F. The department of revenue shall pay all rebates issued pursuant
2 to this section on or before November 15, 2024 but not earlier than
3 October 15, 2024. The department shall attempt to pay a qualifying
4 taxpayer's rebate by electronic funds transfer using the routing and
5 account information provided by the taxpayer on the taxpayer's full-year
6 resident tax return for taxable year 2022 or more recent routing and
7 account information provided by the taxpayer. If such attempt fails, or if
8 the taxpayer did not provide such routing and account information, the
9 department shall issue the rebate check by mail to the most recent home
10 address provided by the taxpayer. Any notification from the department
11 that relates to the rebate issued under this section shall state the
12 following: "This rebate is being issued pursuant to Senate Bill _____,
13 as passed by the fifty-sixth legislature, second regular session, and
14 signed into law by the governor." Any communication issued relating to
15 the rebate issued under this section may not be sent from the governor's
16 office, be sent on the governor's letterhead or reference the governor's
17 office.

18 G. A taxpayer who does not receive the rebate issued pursuant to
19 this section on or before November 15, 2025 may claim the rebate by filing
20 a claim application online in the form and manner prescribed by the
21 department of revenue. The claim application must include the claimant's
22 name, address, taxpayer identification number and individual income tax
23 filing status. The department shall review each claim application and
24 verify the information provided. The department may request that a
25 claimant provide evidence to verify the claimant's eligibility for the
26 rebate.

27 H. In computing Arizona adjusted gross income, any rebate received
28 by a taxpayer pursuant to this section and required to be included in
29 Arizona gross income under the internal revenue code shall be subtracted
30 from the taxpayer's Arizona gross income.

31 I. Notwithstanding any other administrative proceedings established
32 by law or by rule, all appealable agency actions as defined in section
33 41-1092, Arizona Revised Statutes, and contested cases as defined in
34 section 41-1001, Arizona Revised Statutes, relating to a rebate issued
35 pursuant to this section are governed by title 41, chapter 6, article 10,
36 Arizona Revised Statutes.

37 J. On or before February 15, 2026, the director of the department
38 of revenue shall report the following information to the president of the
39 senate, the speaker of the house of representatives and the director of
40 the joint legislative budget committee:

- 41 1. The total dollar amount of rebates paid under this section.
- 42 2. The administrative costs associated with the department's
- 43 program for issuing the rebates under this section.
- 44 3. The total number of tax rebates issued.

1 K. The legislature finds that:

2 1. Inflation is at a forty-year high, putting gas, groceries and
3 other necessities out of reach for many Arizonans.

4 2. Responsible budgeting has allowed this state to take action to
5 mitigate the harmful impacts of inflation by returning a portion of the
6 surplus to this state's taxpayers who are fifty-five years of age or
7 older.

8 L. This section is repealed from and after December 31, 2030.

9 M. For the purposes of this section:

10 1. "Arizona small business taxable income" has the same meaning
11 prescribed in section 43-1701, Arizona Revised Statutes.

12 2. "Arizona small business tax liability" means an Arizona small
13 business taxpayer's Arizona small business taxable income multiplied by
14 the Arizona small business' applicable tax rate as prescribed by section
15 43-1711, Arizona Revised Statutes, plus any amount of recaptured Arizona
16 small business income tax credits, minus any nonrefundable and refundable
17 Arizona small business income tax credits claimed by the Arizona small
18 business taxpayer under title 43, chapter 17, article 5, Arizona Revised
19 Statutes.

20 3. "Taxable income" has the same meaning prescribed in section
21 43-1001, Arizona Revised Statutes.

22 4. "Tax liability" means the taxpayer's taxable income multiplied
23 by the taxpayer's applicable tax rate as prescribed in section 43-1011,
24 Arizona Revised Statutes, plus any amount of recaptured income tax credits
25 and the taxpayer's Arizona small business tax liability, if any, minus the
26 sum of nonrefundable and refundable income tax credits claimed by the
27 taxpayer under title 43, chapter 10, article 5, Arizona Revised Statutes.