

REFERENCE TITLE: tax credit; private land; border

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

HB 2053

Introduced by
Representatives Kolodin: Carter P, Gillette, Marshall

AN ACT

AMENDING SECTION 43-222, ARIZONA REVISED STATUTES; AMENDING TITLE 43, CHAPTER 10, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 43-1080; AMENDING TITLE 43, CHAPTER 11, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 43-1169; RELATING TO 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, 43-1080,
8 43-1088, 43-1089.04, 43-1167.01, 43-1169 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, 43-1165,
14 and 43-1181.

15 4. For years ending in 3 and 8, sections 43-1074.01, 43-1168,
16 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 43-1080, to read:

21 43-1080. Credit for federal use of private land for
22 international boundary wall construction

23 A. A CREDIT IS ALLOWED AGAINST THE TAXES IMPOSED BY THIS TITLE FOR
24 THE FAIR MARKET VALUE OF LAND LOCATED IN THIS STATE THAT A TAXPAYER
25 PRIVATELY OWNS AND ALLOWS THE FEDERAL GOVERNMENT TO USE FOR CONSTRUCTION
26 OF AN INTERNATIONAL BOUNDARY WALL.

27 B. THE AMOUNT OF THE CREDIT IS THE FAIR MARKET VALUE OF THE PORTION
28 OF THE LAND USED FOR CONSTRUCTION OF AN INTERNATIONAL BOUNDARY WALL AS
29 DETERMINED IN AN APPRAISAL AS DEFINED IN SECTION 32-3601 THAT IS PAID FOR
30 BY THE TAXPAYER.

31 C. CO-OWNERS OF A BUSINESS, INCLUDING PARTNERS IN A PARTNERSHIP AND
32 SHAREHOLDERS OF AN S CORPORATION AS DEFINED IN SECTION 1361 OF THE
33 INTERNAL REVENUE CODE, MAY EACH CLAIM ONLY THE PRO RATA SHARE OF THE
34 CREDIT ALLOWED UNDER THIS SECTION BASED ON THE OWNERSHIP INTEREST. IF THE
35 LAND IS OWNED BY A HUSBAND AND WIFE WHO FILE SEPARATE RETURNS FOR A
36 TAXABLE YEAR IN WHICH THEY COULD HAVE FILED A JOINT RETURN, THEY MAY
37 DETERMINE BETWEEN THEM THE SHARE OF THE CREDIT EACH WILL CLAIM. THE TOTAL
38 OF THE CREDITS ALLOWED ALL SUCH CO-OWNER MAY NOT EXCEED THE AMOUNT THAT
39 WOULD HAVE BEEN ALLOWED A SOLE OWNER.

40 D. IF THE ALLOWABLE TAX CREDIT EXCEEDS THE TAXES OTHERWISE DUE
41 UNDER THIS TITLE ON THE CLAIMANT'S INCOME, OR IF THERE ARE NO TAXES DUE
42 UNDER THIS TITLE, THE TAXPAYER MAY CARRY THE AMOUNT OF THE CLAIM NOT USED
43 TO OFFSET THE TAXES UNDER THIS TITLE FORWARD FOR NOT MORE THAN FIVE
44 CONSECUTIVE TAXABLE YEARS' INCOME TAX LIABILITY.

1 Sec. 3. Title 43, chapter 11, article 6, Arizona Revised Statutes,
2 is amended by adding section 43-1169, to read:

3 43-1169. Credit for federal use of private land for
4 international boundary wall construction

5 A. A CREDIT IS ALLOWED AGAINST THE TAXES IMPOSED BY THIS TITLE FOR
6 THE FAIR MARKET VALUE OF LAND LOCATED IN THIS STATE THAT A TAXPAYER
7 PRIVATELY OWNS AND ALLOWS THE FEDERAL GOVERNMENT TO USE FOR CONSTRUCTION
8 OF AN INTERNATIONAL BOUNDARY WALL.

9 B. THE AMOUNT OF THE CREDIT IS THE FAIR MARKET VALUE OF THE PORTION
10 OF THE LAND USED FOR CONSTRUCTION OF AN INTERNATIONAL BOUNDARY WALL AS
11 DETERMINED IN AN APPRAISAL AS DEFINED IN SECTION 32-3601 THAT IS PAID FOR
12 BY THE TAXPAYER.

13 C. CO-OWNERS OF A BUSINESS, INCLUDING CORPORATE PARTNERS IN A
14 PARTNERSHIP, MAY EACH CLAIM ONLY THE PRO RATA SHARE OF THE CREDIT ALLOWED
15 UNDER THIS SECTION BASED ON THE OWNERSHIP INTEREST. THE TOTAL OF THE
16 CREDITS ALLOWED ALL SUCH CO-OWNER MAY NOT EXCEED THE AMOUNT THAT WOULD
17 HAVE BEEN ALLOWED A SOLE OWNER.

18 D. IF THE ALLOWABLE TAX CREDIT EXCEEDS THE TAXES OTHERWISE DUE
19 UNDER THIS TITLE ON THE CLAIMANT'S INCOME, OR IF THERE ARE NO TAXES DUE
20 UNDER THIS TITLE, THE TAXPAYER MAY CARRY THE AMOUNT OF THE CLAIM NOT USED
21 TO OFFSET THE TAXES UNDER THIS TITLE FORWARD FOR NOT MORE THAN FIVE
22 CONSECUTIVE TAXABLE YEARS' INCOME TAX LIABILITY.

23 Sec. 4. Purpose

24 Pursuant to section 43-223, Arizona Revised Statutes, the
25 legislature enacts sections 43-1080 and 43-1169, Arizona Revised Statutes,
26 as added by this act, to support private landowners in this state that are
27 allowing the federal government to use a portion of the private
28 landowner's land for construction of an international boundary wall.