Senate Engrossed

State of Arizona
Senate
Forty-sixth Legislature
Second Regular Session
2004

CHAPTER 214

SENATE BILL 1003

AN ACT

AMENDING SECTION 43-1023, ARIZONA REVISED STATUTES; RELATING TO INDIVIDUAL INCOME TAX EXEMPTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 43-1023, Arizona Revised Statutes, is amended to read:

43-1023. Exemptions for blind persons, persons over sixty-five years of age and dependents

A. A taxpayer is allowed an exemption of one thousand five hundred dollars:

1. For a taxpayer who is blind or if either the taxpayer's central visual acuity does not exceed 20/200 in the better eye with correcting lenses or the taxpayer's visual acuity is greater than 20/200 but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than twenty degrees.

2. For the taxpayer's spouse if a separate return is made by the taxpayer, if the spouse is blind, as defined in paragraph 1 of this subsection, has no Arizona adjusted gross income for the calendar year in which the taxable year of the taxpayer begins and is not the dependent of another taxpayer. For the purposes of this paragraph, the determination of whether the spouse is blind shall be made at the close of the taxable year of the taxpayer. If the spouse dies during such taxable year, the determination shall be made as of the time of the spouse's death.

B. A taxpayer is allowed an exemption of two thousand three hundred dollars for:

1. Each dependent of the taxpayer, as defined in section 43-1001, and subject to the qualifications prescribed by section 151(c) of the internal revenue code.

2. Each person age sixty-five or older regardless of the person's relationship to the taxpayer:

(a) If the taxpayer pays more than one-fourth of the total cost of maintaining such person in a nursing care institution or residential care institution licensed pursuant to title 36, chapter 4, or an assisted living facility provider of a type certified pursuant to title 11, chapter 2, article 7, if such payments exceed eight hundred dollars in the taxable year.

(b) If the taxpayer otherwise makes payments exceeding eight hundred dollars in the taxable year for home health care or other types of medical care.

3. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2003, EACH BIRTH FOR WHICH A CERTIFICATE OF BIRTH RESULTING IN STILLBIRTH HAS BEEN ISSUED PURSUANT TO SECTION 36-329.01 IF THE CHILD OTHERWISE WOULD HAVE BEEN A MEMBER OF THE TAXPAYER'S HOUSEHOLD. THE TAXPAYER MAY ONLY CLAIM THE EXEMPTION UNDER THIS PARAGRAPH IN THE TAXABLE YEAR IN WHICH THE STILLBIRTH OCCURRED.

C. For taxable years beginning from and after December 31, 1998, a resident taxpayer is allowed an exemption of ten thousand dollars for each parent or ancestor of a parent of the taxpayer, who is age sixty-five or older, who requires assistance with activities of daily living and who lives

in the taxpayer's principal residence for the entire taxable year, if the taxpayer pays more than one-half of the person's total support and maintenance costs. An exemption under this subsection is in lieu of an exemption under subsection B of this section for the same person.

D. A taxpayer shall not take more than one exemption for the same person under either subsection B or C of this section.

E. A taxpayer is allowed an exemption of two thousand one hundred dollars:

1. If the taxpayer has attained the age of sixty-five before the close of the taxable year filing a separate or joint return and the taxpayer is not claimed as a dependent by another taxpayer.

2. For the taxpayer's spouse if the spouse has attained the age of sixty-five before the close of the taxable year, a joint return is filed and the spouse is not a dependent of another taxpayer.

Sec. 2. Retroactivity

This act applies retroactively to taxable years beginning from and after December 31, 2003.

APPROVED BY THE GOVERNOR MAY 10, 2004.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 10, 2004.

Passed the House May 3, 20 04,

by the following vote: 39 Ayes,

10 Nays, 11 Not Voting

Speaker of the House

Pro Tempore

Chief Clerk of the House

Passed the Senate March 22, 20 04,

by the following vote: 28 Ayes,

2 Nays, 0 Not Voting

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

14th day of May, 20 04,

at 1:59 o'clock P. M.

Secretary to the Governor

Approved this 10 day of

May, 20 04,

at 11:35 o'clock A. M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 10 day of May, 2004,

at 1:22 o'clock P. M.

Secretary of State

S.B. 1003