

Senate Engrossed
FILED
JANICE K. BREWER
SECRETARY OF STATE

State of Arizona
Senate
Forty-eighth Legislature
First Regular Session
2007

CHAPTER 160

SENATE BILL 1233

AN ACT

AMENDING SECTION 43-327, ARIZONA REVISED STATUTES; RELATING TO INCOME TAX RETURNS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 43-327, Arizona Revised Statutes, is amended to
3 read:

4 43-327. Recomputation of tax or amended return due after
5 federal adjustment; definition

6 A. If the amount of taxable income for any year of any taxpayer as
7 reported to the United States treasury department is changed or corrected by
8 the commissioner of internal revenue or other officer of the United States or
9 other competent authority, or if a renegotiation of a contract or subcontract
10 with the United States results in a change in taxable income, such taxpayer
11 shall within ninety days after the final determination of such change or
12 correction or renegotiation SHALL either:

13 1. File with the department a copy of the final determination, concede
14 the accuracy of the determination or state any errors and request the
15 department to recompute the tax owed to this state. Recomputing the tax by
16 the department is not considered to be an audit for purposes of section
17 42-2059.

18 2. File an amended return as required by the department of revenue.

19 B. The department may require an amended return if the department
20 lacks the necessary information to recompute the tax owed to this state.

21 C. Any taxpayer filing an amended return with the United States
22 treasury department shall also file within ninety days OF THE FINAL
23 DETERMINATION BY THE UNITED STATES TREASURY DEPARTMENT an amended return with
24 the department of revenue which shall contain such information as it shall
25 require.

26 D. FOR THE PURPOSES OF THIS SECTION, ASSESSMENTS UNDER A PARTIAL
27 AGREEMENT, CLOSING AGREEMENT COVERING SPECIFIC MATTERS, JEOPARDY OR ADVANCE
28 PAYMENT ARE CONSIDERED PART OF THE FINAL DETERMINATION DEFINED IN SUBSECTION
29 G OF THIS SECTION AND MUST BE SUBMITTED TO THE DEPARTMENT WITH THE FINAL
30 DETERMINATION.

31 E. IF A PARTIAL AGREEMENT, CLOSING AGREEMENT COVERING SPECIFIC MATTERS
32 OR ANY OTHER AGREEMENT WITH THE UNITED STATES TREASURY DEPARTMENT WOULD BE
33 FINAL EXCEPT FOR A FEDERAL EXTENSION STILL OPEN FOR FLOW THROUGH ADJUSTMENTS
34 FROM OTHER ENTITIES OR OTHER JURISDICTIONS, THEN THE FINAL DETERMINATION IS
35 THE DATE THE TAXPAYER SIGNS THE AGREEMENT. FLOW THROUGH ADJUSTMENTS ARE
36 FINALLY DETERMINED BASED ON CRITERIA SPECIFIED IN SUBSECTION G OF THIS
37 SECTION.

38 F. THE DEPARTMENT IS NOT REQUIRED TO ISSUE REFUNDS BASED ON ANY
39 AGREEMENT OTHER THAN A FINAL DETERMINATION.

40 G. FOR THE PURPOSES OF THIS SECTION, "FINAL DETERMINATION" MEANS THE
41 APPEAL RIGHTS OF BOTH PARTIES HAVE EXPIRED OR HAVE BEEN EXHAUSTED RELATIVE TO
42 THE TAX YEAR.

43 Sec. 2. Retroactivity

44 This act applies to final determinations issued by the United States
45 treasury department from and after December 31, 2006.

~~APPROVED BY THE GOVERNOR MAY 1, 2007.~~

~~FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 1, 2007.~~

Passed the House April 23, 2007,

by the following vote: 54 Ayes,

0 Nays, 6 Not Voting



Speaker of the House
Pro Tempore



Chief Clerk of the House

Passed the Senate February 13, 2007,

by the following vote: 29 Ayes,

0 Nays, 1 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

25th day of April, 2007

at 11:58 o'clock a. M.

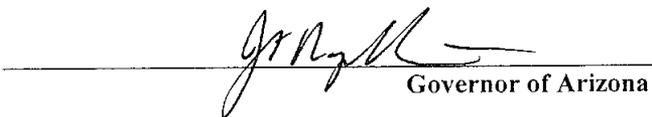


Secretary to the Governor

Approved this 1 day of

May, 2007,

at 1:30 o'clock P. M.



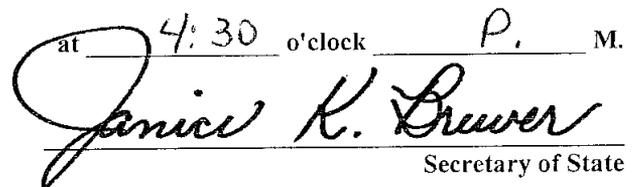
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 1ST day of MAY, 2007,

at 4:30 o'clock P. M.



Secretary of State

S.B. 1233