

House Engrossed

**FILED**

**JANICE K. BREWER  
SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Forty-eighth Legislature  
Second Regular Session  
2008

CHAPTER 94

# **HOUSE BILL 2104**

AN ACT

AMENDING SECTIONS 42-1001 AND 43-105, ARIZONA REVISED STATUTES; RELATING TO  
TAXATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-1001, Arizona Revised Statutes, is amended to  
3 read:

4 42-1001. Definitions

5 In this title, unless the context otherwise requires:

6 1. "Board" or "state board" means either the state board of tax  
7 appeals or the state board of equalization, as applicable.

8 2. "Court" means the tax court or superior court, whichever is  
9 applicable.

10 3. "Department" means the department of revenue.

11 4. "Director" means the director of the department.

12 5. "Internal revenue code" means the United States internal revenue  
13 code of 1986, as amended and in effect as of January 1, 2007 2008, including  
14 those provisions that became effective during 2006 2007 with the specific  
15 adoption of their retroactive effective dates but excluding all changes to  
16 the code enacted after January 1, 2007 2008.

17 Sec. 2. Section 43-105, Arizona Revised Statutes, is amended to read:

18 43-105. Internal revenue code; definition; application

19 A. FOR PURPOSES OF COMPUTING INCOME TAX PURSUANT TO THIS TITLE, FOR  
20 TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2007, "INTERNAL REVENUE  
21 CODE" MEANS THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED, IN  
22 EFFECT ON JANUARY 1, 2008, INCLUDING THOSE PROVISIONS THAT BECAME EFFECTIVE  
23 DURING 2007 WITH THE SPECIFIC ADOPTION OF ALL FEDERAL RETROACTIVE EFFECTIVE  
24 DATES, BUT EXCLUDING ANY CHANGE TO THE CODE ENACTED AFTER JANUARY 1, 2008.

25 ~~A.~~ B. For purposes of computing income tax pursuant to this title,  
26 for taxable years beginning from and after December 31, 2006 through December  
27 31, 2007, "internal revenue code" means the United States internal revenue  
28 code of 1986, as amended, in effect on January 1, 2007, including those  
29 provisions that became effective during 2006 with the specific adoption of  
30 all federal retroactive effective dates, ~~but excluding any change to the code~~  
31 ~~enacted after January 1, 2007~~ AND INCLUDING THOSE PROVISIONS OF THE SMALL  
32 BUSINESS AND WORK OPPORTUNITY TAX ACT OF 2007 (P.L. 110-28), THE ENERGY  
33 INDEPENDENCE AND SECURITY ACT OF 2007 (P.L. 110-140), PUBLIC LAW 110-141, THE  
34 MORTGAGE FORGIVENESS DEBT RELIEF ACT OF 2007 (P.L. 110-142) AND THE TAX  
35 TECHNICAL CORRECTIONS ACT OF 2007 (P.L. 110-172) THAT ARE RETROACTIVELY  
36 EFFECTIVE DURING TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2006  
37 THROUGH DECEMBER 31, 2007.

38 ~~B.~~ C. For purposes of computing income tax pursuant to this title,  
39 for taxable years beginning from and after December 31, 2005 through December  
40 31, 2006, "internal revenue code" means the United States internal revenue  
41 code of 1986, as amended, in effect on January 1, 2006, including those  
42 provisions that became effective during 2005 with the specific adoption of  
43 all federal retroactive effective dates and including those provisions of the  
44 tax increase prevention and reconciliation act of 2005 (P.L. 109-222), the  
45 pension protection act of 2006 (P.L. 109-280), ~~and~~ the tax relief and health

1 care act of 2006 (P.L. 109-432), THE SMALL BUSINESS AND WORK OPPORTUNITY TAX  
2 ACT OF 2007 (P.L. 110-28), THE MORTGAGE FORGIVENESS DEBT RELIEF ACT OF 2007  
3 (P.L. 110-142) AND THE TAX TECHNICAL CORRECTIONS ACT OF 2007 (P.L. 110-172)  
4 that are retroactively effective during taxable years beginning from and  
5 after December 31, 2005 through December 31, 2006.

6 ~~E~~. D. For purposes of computing income tax pursuant to this title,  
7 for taxable years beginning from and after December 31, 2004 through December  
8 31, 2005, "internal revenue code" means the United States internal revenue  
9 code of 1986, as amended, in effect on January 1, 2005, including those  
10 provisions that became effective during 2004 with the specific adoption of  
11 all federal retroactive effective dates and including those provisions of the  
12 Katrina emergency tax relief act of 2005 (P.L. 109-73), the energy tax  
13 incentives act of 2005 (title XIII of the energy policy act of 2005  
14 (P.L. 109-58)), and the gulf opportunity zone act of 2005 (P.L. 109-135) AND  
15 THE TAX TECHNICAL CORRECTIONS ACT OF 2007 (P.L. 110-172) that are  
16 retroactively effective during taxable years beginning from and after  
17 December 31, 2004 through December 31, 2005.

18 ~~D~~. E. For purposes of computing income tax pursuant to this title,  
19 for taxable years beginning from and after December 31, 2003 through December  
20 31, 2004, "internal revenue code" means the United States internal revenue  
21 code of 1986, as amended, in effect on January 1, 2004, including those  
22 provisions that became effective during 2003 with the specific adoption of  
23 all federal retroactive effective dates and including those provisions of the  
24 working families tax relief act of 2004 (P.L. 108-311), the American jobs  
25 creation act of 2004 (P.L. 108-357), the Katrina emergency tax relief act of  
26 2005 (P.L. 109-73), the energy tax incentives act of 2005 (title XIII of the  
27 energy policy act of 2005 (P.L. 109-58)), and the gulf opportunity zone act  
28 of 2005 (P.L. 109-135) AND THE TAX TECHNICAL CORRECTIONS ACT OF 2007  
29 (P.L. 110-172) that are retroactively effective during taxable years  
30 beginning from and after December 31, 2003 through December 31, 2004.

31 ~~E~~. F. For purposes of computing income tax pursuant to this title,  
32 for taxable years beginning from and after December 31, 2002 through December  
33 31, 2003, "internal revenue code" means the United States internal revenue  
34 code of 1986, as amended, in effect on January 1, 2003, including those  
35 provisions that became effective during 2002 with the specific adoption of  
36 all federal retroactive effective dates and including those provisions of the  
37 working families tax relief act of 2004 (P.L. 108-311), the American jobs  
38 creation act of 2004 (P.L. 108-357), the jobs and growth tax relief  
39 reconciliation act of 2003 (P.L. 108-27), the military family tax relief act  
40 of 2003 (P.L. 108-121), and the medicare prescription drug, improvement, and  
41 modernization act of 2003 (P.L. 108-173) AND THE TAX TECHNICAL CORRECTIONS  
42 ACT OF 2007 (P.L. 110-172) that are retroactively effective during taxable  
43 years beginning from and after December 31, 2002 through December 31, 2003.

1           ~~F.~~ G. For purposes of computing income tax pursuant to this title,  
2 for taxable years beginning from and after December 31, 2001 through December  
3 31, 2002, "internal revenue code" means the United States internal revenue  
4 code of 1986, as amended, in effect on March 9, 2002, including those  
5 provisions that became effective during 2001 with the specific adoption of  
6 all federal retroactive effective dates and including those provisions of the  
7 working families tax relief act of 2004 (P.L. 108-311), the American jobs  
8 creation act of 2004 (P.L. 108-357), the jobs and growth tax relief  
9 reconciliation act of 2003 (P.L. 108-27), and the military family tax relief  
10 act of 2003 (P.L. 108-121) AND THE TAX TECHNICAL CORRECTIONS ACT OF 2007  
11 (P.L. 110-172) that are retroactively effective during taxable years  
12 beginning from and after December 31, 2001 through December 31, 2002.

13           ~~G.~~ H. For purposes of computing income tax pursuant to this title,  
14 for taxable years beginning from and after December 31, 2000 through December  
15 31, 2001, "internal revenue code" means the United States internal revenue  
16 code of 1986, as amended, in effect on January 1, 2001, including those  
17 provisions that became effective during 2000 with the specific adoption of  
18 all federal retroactive effective dates and including those provisions of the  
19 working families tax relief act of 2004 (P.L. 108-311), the American jobs  
20 creation act of 2004 (P.L. 108-357), the economic growth and tax relief  
21 reconciliation act of 2001 (P.L. 107-16), the job creation and worker  
22 assistance act of 2002 (P.L. 107-147), and the military family tax relief act  
23 of 2003 (P.L. 108-121) AND THE TAX TECHNICAL CORRECTIONS ACT OF 2007  
24 (P.L. 110-172) that are retroactively effective during taxable years  
25 beginning from and after December 31, 2000 through December 31, 2001.

26           ~~H.~~ I. For purposes of computing income tax pursuant to this title,  
27 for taxable years beginning from and after December 31, 1999 through December  
28 31, 2000, "internal revenue code" means the United States internal revenue  
29 code of 1986, as amended, in effect on January 1, 2000, including those  
30 provisions that became effective during 1999 with the specific adoption of  
31 all federal retroactive effective dates and including those provisions of the  
32 community renewal tax relief act of 2000 (P.L. 106-554), the installment tax  
33 correction act of 2000 (P.L. 106-573), FSC repeal and extraterritorial income  
34 exclusion act of 2000 (P.L. 106-519), the trade and development act of 2000  
35 (P.L. 106-200), the economic growth and tax relief reconciliation act of 2001  
36 (P.L. 107-16), the job creation and worker assistance act of 2002  
37 (P.L. 107-147) and the military family tax relief act of 2003 (P.L. 108-121)  
38 that are retroactively effective during taxable years beginning from and  
39 after December 31, 1999 through December 31, 2000.

40           ~~I.~~ J. For purposes of computing income tax pursuant to this title,  
41 for taxable years beginning from and after December 31, 1998 through December  
42 31, 1999, "internal revenue code" means the United States internal revenue  
43 code of 1986, as amended, in effect on January 1, 1999, including those  
44 provisions that became effective during 1998 with the specific adoption of  
45 all federal retroactive effective dates and including those provisions of the

1 miscellaneous trade and technical corrections act of 1999 (P.L. 106-36), the  
2 ticket to work and work incentives improvement act of 1999 (P.L. 106-170),  
3 the community renewal tax relief act of 2000 (P.L. 106-554), the installment  
4 tax correction act of 2000 (P.L. 106-573) and the military family tax relief  
5 act of 2003 (P.L. 108-121) that are retroactively effective during taxable  
6 years beginning from and after December 31, 1998 through December 31, 1999.

7 ~~J.~~ K. For purposes of computing income tax pursuant to this title,  
8 for taxable years beginning from and after December 31, 1997 through December  
9 31, 1998, "internal revenue code" means the United States internal revenue  
10 code of 1986, as amended, in effect on January 1, 1998, including those  
11 provisions that became effective during 1997 with the specific adoption of  
12 all federal retroactive effective dates and including those provisions of the  
13 IRS restructuring and reform act of 1998 (P.L. 105-206), the tax and trade  
14 relief extension act of 1998 (P.L. 105-277), the surface transportation  
15 revenue act of 1998 (P.L. 105-178), the miscellaneous trade and technical  
16 corrections act of 1999 (P.L. 106-36) and the military family tax relief act  
17 of 2003 (P.L. 108-121) that are retroactively effective during the taxable  
18 years beginning from and after December 31, 1997 through December 31, 1998.

19 ~~K. For purposes of computing income tax pursuant to this title, for~~  
20 ~~taxable years beginning from and after December 31, 1996 through December 31,~~  
21 ~~1997, "internal revenue code" means the United States internal revenue code~~  
22 ~~of 1986, as amended, in effect on January 1, 1997, including those provisions~~  
23 ~~that became effective during 1996 with the specific adoption of all federal~~  
24 ~~retroactive effective dates and including the provisions of the taxpayer~~  
25 ~~relief act of 1997 (P.L. 105-34), the IRS restructuring and reform act of~~  
26 ~~1998 (P.L. 105-206), the tax and trade relief extension act of 1998~~  
27 ~~(P.L. 105-277) and the military family tax relief act of 2003 (P.L. 108-121)~~  
28 ~~that are retroactively effective during taxable years beginning from and~~  
29 ~~after December 31, 1996 through December 31, 1997.~~

APPROVED BY THE GOVERNOR APRIL 28, 2008.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 28, 2008.

Passed the House March 11, 2008

Passed the Senate April 21, 2008

by the following vote: 59 Ayes,

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

0 Nays, 1 Not Voting

Speaker of the House

President of the Senate

*Pro Tempore*

Chief Clerk of the House

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this

22nd day of April, 2008

at 2:40 o'clock p. M.

Secretary to the Governor

Approved this 28 day of

April 2008

at 10:15 o'clock A. M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 28 day of April, 2008

at 1:35 o'clock P M.

Secretary of State

H.B. 2104