

Senate Engrossed House Bill

FILED
KEN BENNETT
SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-first Legislature
Second Regular Session
2014

CHAPTER 141

HOUSE BILL 2288

AN ACT

AMENDING SECTION 42-5014, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, SEVENTH SPECIAL SESSION, CHAPTER 12, SECTION 30; AMENDING SECTION 42-5014, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2013, CHAPTER 255, SECTION 7; RELATING TO TRANSACTION PRIVILEGE AND AFFILIATED EXCISE TAXES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-5014, Arizona Revised Statutes, as amended by
3 Laws 2010, seventh special session, chapter 12, section 30, is amended to
4 read:

5 42-5014. Return and payment of tax; estimated tax; extensions;
6 abatements

7 A. Except as provided in subsection B, C or D of this section, the
8 taxes levied under this article:

9 1. Are due and payable monthly in the form required by section 42-5018
10 for the amount of the tax, to the department, on or before the twentieth day
11 of the month next succeeding the month in which the tax accrues.

12 2. Are delinquent as follows:

13 (a) For taxpayers electing to file by mail, if not postmarked on or
14 before the twenty-fifth day of that month or if not received by the
15 department on or before the business day preceding the last business day of
16 the month.

17 (b) For taxpayers electing to file and pay electronically in any
18 month, if not received by the department on or before the last business day
19 of the month.

20 (c) For all other taxpayers, if not received by the department on or
21 before the business day preceding the last business day of the month.

22 B. The department, for any taxpayer whose estimated annual liability
23 for taxes imposed by this article is between ~~five hundred~~ TWO THOUSAND
24 dollars and ~~one~~ EIGHT thousand ~~two hundred fifty~~ dollars, ~~may~~ SHALL authorize
25 such taxpayer to pay such taxes on a quarterly basis. The department, for
26 any taxpayer whose estimated annual liability for taxes imposed by this
27 article is ~~five hundred~~ LESS THAN TWO THOUSAND dollars ~~or less~~, ~~may~~ SHALL
28 authorize such taxpayer to pay such taxes on an annual basis.

29 C. The department may require a taxpayer whose business is of a
30 transient character to file the return and remit the taxes imposed by this
31 article on a daily, a weekly or a transaction by transaction basis, and those
32 returns and payments are due and payable on the date fixed by the department
33 without a grace period otherwise allowed by this section. For the purposes
34 of this subsection, "business of a transient character" means sales activity
35 by a taxpayer not regularly engaged in selling within the state conducted
36 from vehicles, portable stands, rented spaces, structures or booths, or
37 concessions at fairs, carnivals, circuses, festivals or similar activities
38 for not more than thirty consecutive days.

39 D. In 2010, 2011 and 2012, if a business entity under which a taxpayer
40 reports and pays income tax under title 43 has an annual total tax liability
41 under this article, article 6 of this chapter and chapter 6, article 3 of
42 this title in calendar year 2010, 2011 or 2012 of one hundred thousand
43 dollars or more, based on the actual tax liability in calendar year 2009,
44 2010 or 2011, regardless of the number of offices at which the taxes imposed
45 by this article, article 6 of this chapter or chapter 6, article 3 of this

1 title are collected, or if the taxpayer can reasonably anticipate such
2 liability in calendar year 2010, 2011 or 2012, the taxpayer shall report on a
3 form prescribed by the department and pay an estimated tax payment in June,
4 2010, 2011 or 2012. Thereafter, if the business entity under which a
5 taxpayer reports and pays income tax under title 43 has an annual total tax
6 liability under this article, article 6 of this chapter and chapter 6,
7 article 3 of this title of one million dollars or more, based on the actual
8 tax liability in the preceding calendar year, regardless of the number of
9 offices at which the taxes imposed by this article, article 6 of this chapter
10 or chapter 6, article 3 of this title are collected, or if the taxpayer can
11 reasonably anticipate such liability in the current year, the taxpayer shall
12 report on a form prescribed by the department and pay an estimated tax
13 payment each June. Any other taxpayer may voluntarily elect to pay the
14 estimated tax payment pursuant to this subsection. The payment shall be made
15 on or before June 20 and is delinquent if not postmarked on or before that
16 date or if not received by the department on or before the business day
17 preceding the last business day of June for those taxpayers electing to file
18 by mail, or delinquent if not received by the department on the business day
19 preceding the last business day of June for those taxpayers electing to file
20 in person. The estimated tax paid shall be credited against the taxpayer's
21 tax liability under this article, article 6 of this chapter and chapter 6,
22 article 3 of this title for the month of June for the current calendar year.
23 The estimated tax payment shall equal either:

24 1. One-half of the actual tax liability under this article plus
25 one-half of any tax liability under article 6 of this chapter and chapter 6,
26 article 3 of this title for May of the current calendar year.

27 2. The actual tax liability under this article plus any tax liability
28 under article 6 of this chapter and chapter 6, article 3 of this title for
29 the first fifteen days of June of the current calendar year.

30 E. The taxpayer shall prepare a return showing the amount of the tax
31 for which the taxpayer is liable for the preceding month, and shall mail or
32 deliver the return to the department in the same manner and time as
33 prescribed for the payment of taxes in subsection A of this section. If the
34 taxpayer fails to file the return in the manner and time as prescribed for
35 the payment of taxes in subsection A of this section, the amount of the tax
36 required to be shown on the return is subject to the penalty imposed pursuant
37 to section 42-1125, subsection A, without any reduction for taxes paid on or
38 before the due date of the return. The return shall be verified by the oath
39 of the taxpayer or an authorized agent or as prescribed by the department
40 pursuant to section 42-1105, subsection B.

41 F. Any person who is taxable under this article and who makes cash and
42 credit sales shall report such cash and credit sales separately and ~~upon~~ ON
43 making application may obtain from the department an extension of time for
44 payment of taxes due on the credit sales. The extension shall be granted by
45 the department under such rules as the department prescribes. When the

1 extension is granted, the taxpayer shall thereafter include in each monthly
2 report all collections made on such credit sales during the month next
3 preceding and shall pay the taxes due at the time of filing such report.

4 G. The returns required under this article shall be made ~~upon~~ ON forms
5 prescribed by the department.

6 H. The department, for good cause, may extend the time for making any
7 return required by this article and may grant such reasonable additional time
8 within which to make the return as it deems proper, but the time for filing
9 the return shall not be extended beyond the first day of the third month next
10 succeeding the regular due date of the return.

11 I. The department, with the approval of the attorney general, may
12 abate small tax balances if the administration costs exceed the amount of tax
13 due.

14 J. For the purposes of subsection D of this section, "taxpayer" means
15 the business entity under which the business reports and pays state income
16 taxes regardless of the number of offices at which the taxes imposed by this
17 article, article 6 of this chapter or chapter 6, article 3 of this title are
18 collected.

19 Sec. 2. Section 42-5014, Arizona Revised Statutes, as amended by Laws
20 2013, chapter 255, section 7, is amended to read:

21 42-5014. Return and payment of tax; estimated tax; extensions;
22 abatements

23 A. Except as provided in subsection B, C or D of this section, the
24 taxes levied under this article:

25 1. Are due and payable monthly in the form required by section 42-5018
26 for the amount of the tax, to the department, on or before the twentieth day
27 of the month next succeeding the month in which the tax accrues.

28 2. Are delinquent as follows:

29 (a) For taxpayers electing to file by mail, if not postmarked on or
30 before the twenty-fifth day of that month or if not received by the
31 department on or before the business day preceding the last business day of
32 the month.

33 (b) For taxpayers electing to file and pay electronically in any
34 month, if not received by the department on or before the last business day
35 of the month.

36 (c) For all other taxpayers, if not received by the department on or
37 before the business day preceding the last business day of the month.

38 B. The department, for any taxpayer whose estimated annual liability
39 for taxes imposed by this article is between ~~five hundred~~ TWO THOUSAND
40 dollars and ~~one EIGHT thousand two hundred fifty~~ dollars, ~~may~~ SHALL authorize
41 such taxpayer to pay such taxes on a quarterly basis. The department, for
42 any taxpayer whose estimated annual liability for taxes imposed by this
43 article is ~~five hundred~~ LESS THAN TWO THOUSAND dollars ~~or less,~~ ~~may~~ SHALL
44 authorize such taxpayer to pay such taxes on an annual basis.

1 C. The department may require a taxpayer whose business is of a
2 transient character to file the return and remit the taxes imposed by this
3 article on a daily, a weekly or a transaction by transaction basis, and those
4 returns and payments are due and payable on the date fixed by the department
5 without a grace period otherwise allowed by this section. For the purposes
6 of this subsection, "business of a transient character" means sales activity
7 by a taxpayer not regularly engaged in selling within the state conducted
8 from vehicles, portable stands, rented spaces, structures or booths, or
9 concessions at fairs, carnivals, circuses, festivals or similar activities
10 for not more than thirty consecutive days.

11 D. In 2010, 2011 and 2012, if a business entity under which a taxpayer
12 reports and pays income tax under title 43 has an annual total tax liability
13 under this article, article 6 of this chapter and chapter 6, article 3 of
14 this title in calendar year 2010, 2011 or 2012 of one hundred thousand
15 dollars or more, based on the actual tax liability in calendar year 2009,
16 2010 or 2011, regardless of the number of offices at which the taxes imposed
17 by this article, article 6 of this chapter or chapter 6, article 3 of this
18 title are collected, or if the taxpayer can reasonably anticipate such
19 liability in calendar year 2010, 2011 or 2012, the taxpayer shall report on a
20 form prescribed by the department and pay an estimated tax payment in June,
21 2010, 2011 or 2012. Thereafter, if the business entity under which a
22 taxpayer reports and pays income tax under title 43 has an annual total tax
23 liability under this article, article 6 of this chapter and chapter 6,
24 article 3 of this title of one million dollars or more, based on the actual
25 tax liability in the preceding calendar year, regardless of the number of
26 offices at which the taxes imposed by this article, article 6 of this chapter
27 or chapter 6, article 3 of this title are collected, or if the taxpayer can
28 reasonably anticipate such liability in the current year, the taxpayer shall
29 report on a form prescribed by the department and pay an estimated tax
30 payment each June. Any other taxpayer may voluntarily elect to pay the
31 estimated tax payment pursuant to this subsection. The payment shall be made
32 on or before June 20 and is delinquent if not postmarked on or before that
33 date or if not received by the department on or before the business day
34 preceding the last business day of June for those taxpayers electing to file
35 by mail, or delinquent if not received by the department on the business day
36 preceding the last business day of June for those taxpayers electing to file
37 in person. The estimated tax paid shall be credited against the taxpayer's
38 tax liability under this article, article 6 of this chapter and chapter 6,
39 article 3 of this title for the month of June for the current calendar year.
40 The estimated tax payment shall equal either:

41 1. One-half of the actual tax liability under this article plus
42 one-half of any tax liability under article 6 of this chapter and chapter 6,
43 article 3 of this title for May of the current calendar year.

1 2. The actual tax liability under this article plus any tax liability
2 under article 6 of this chapter and chapter 6, article 3 of this title for
3 the first fifteen days of June of the current calendar year.

4 E. The taxpayer shall prepare a return showing the amount of the tax
5 for which the taxpayer is liable for the preceding month, and shall mail or
6 deliver the return to the department in the same manner and time as
7 prescribed for the payment of taxes in subsection A of this section. If the
8 taxpayer fails to file the return in the manner and time as prescribed for
9 the payment of taxes in subsection A of this section, the amount of the tax
10 required to be shown on the return is subject to the penalty imposed pursuant
11 to section 42-1125, subsection A, without any reduction for taxes paid on or
12 before the due date of the return. The return shall be verified by the oath
13 of the taxpayer or an authorized agent or as prescribed by the department
14 pursuant to section 42-1105, subsection B.

15 F. Any person who is taxable under this article and who makes cash and
16 credit sales shall report such cash and credit sales separately and ~~upon~~ ON
17 making application may obtain from the department an extension of time for
18 payment of taxes due on the credit sales. The extension shall be granted by
19 the department under such rules as the department prescribes. When the
20 extension is granted, the taxpayer shall thereafter include in each monthly
21 report all collections made on such credit sales during the month next
22 preceding and shall pay the taxes due at the time of filing such report.

23 G. The returns required under this article shall be made ~~upon~~ ON forms
24 prescribed by the department and shall capture data with sufficient
25 specificity to meet the needs of all taxing jurisdictions.

26 H. The department, for good cause, may extend the time for making any
27 return required by this article and may grant such reasonable additional time
28 within which to make the return as it deems proper, but the time for filing
29 the return shall not be extended beyond the first day of the third month next
30 succeeding the regular due date of the return.

31 I. The department, with the approval of the attorney general, may
32 abate small tax balances if the administration costs exceed the amount of tax
33 due.

34 J. For the purposes of subsection D of this section, "taxpayer" means
35 the business entity under which the business reports and pays state income
36 taxes regardless of the number of offices at which the taxes imposed by this
37 article, article 6 of this chapter or chapter 6, article 3 of this title are
38 collected.

39 Sec. 3. Effective date

40 Section 42-5014, Arizona Revised Statutes, as amended by Laws 2013,
41 chapter 255, section 7 and this act, is effective from and after December 31,
42 2014.

~~APPROVED BY THE GOVERNOR APRIL 22, 2014.~~

~~FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 23, 2014.~~

Passed the House February 25, 20 14

Passed the Senate April 15, 20 14

by the following vote: 58 Ayes,

by the following vote: 29 Ayes,

0 Nays, 2 Not Voting

0 Nays, 1 Not Voting

[Signature]
Speaker of the House

[Signature]
President of the Senate

[Signature]
Chief Clerk of the House

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

_____ day of _____, 20____

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

at _____ o'clock _____ M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this _____ day of _____, 20____

at _____ o'clock _____ M.

Secretary of State

H.B. 2288

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

_____ April 16 , 2014,

by the following vote: 57 Ayes,

0 Nays, 3 Not Voting

[Signature]
Speaker of the House

[Signature]
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

17th day of April , 2014,

at 10:45 o'clock A M.

[Signature]
Secretary to the Governor

Approved this _____ 22nd day of

April , 2014,

at 3:55 o'clock P M.

[Signature]
Governor of Arizona

H.B. 2288

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 23rd day of April , 2014,

at 9:40 o'clock a M.

[Signature]
Secretary of State