

State of Arizona
House of Representatives
Fifty-third Legislature
First Regular Session
2017

House Engrossed
FILED
MICHELE REAGAN
SECRETARY OF STATE

CHAPTER 127
HOUSE BILL 2438

AN ACT

AMENDING TITLE 43, CHAPTER 2, ARTICLE 3, ARIZONA REVISED STATUTES, BY
ADDING SECTION 43-242; RELATING TO TAXATION OF INCOME.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 43, chapter 2, article 3, Arizona Revised
3 Statutes, is amended by adding section 43-242, to read:

4 43-242. Change of taxpayer organization; nontaxable event

5 NOTWITHSTANDING ANY PROVISION OF THE INTERNAL REVENUE CODE OR ANY
6 FEDERAL RULE OR REGULATION ADOPTED PURSUANT TO THE INTERNAL REVENUE CODE,
7 A CHANGE IN THE ORGANIZATIONAL STRUCTURE OF A CORPORATION, INCLUDING AN S
8 CORPORATION, OR A LIMITED LIABILITY COMPANY, A PARTNERSHIP OR ANY OTHER
9 ENTITY, HOWEVER ORGANIZED, INTO ANOTHER ORGANIZATIONAL STRUCTURE IS NOT A
10 TAXABLE EVENT FOR THE PURPOSES OF THIS TITLE IF THERE IS NO CHANGE AMONG
11 THE OWNERS, THEIR OWNERSHIP INTERESTS OR THE ASSETS OF THE ORGANIZATION.

APPROVED BY THE GOVERNOR MARCH 31, 2017.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 31, 2017.

Passed the House February 21, 20 17

Passed the Senate March 30, 20 17

by the following vote: 39 Ayes,

by the following vote: 24 Ayes,

19 Nays, 2 Not Voting

6 Nays, 0 Not Voting

[Signature]
Speaker of the House
 Pro Tempore

[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

29th day of March, 20 17

at 2:33 o'clock P. M.

[Signature]
Secretary to the Governor

Approved this 31st day of

March 2017

at 3:36 o'clock P. M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 31 day of March, 20 17

at 4:47 o'clock P. M.

[Signature]
Secretary of State

H.B. 2438