

Senate Engrossed House Bill

FILED

MICHELE REAGAN

SECRETARY OF STATE

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

CHAPTER 215
HOUSE BILL 2158

AN ACT

AMENDING LAWS 2016, CHAPTER 125, SECTIONS 21, 22, 26 AND 28; RELATING TO
THE NATIVE AMERICAN VETERANS TAX SETTLEMENT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Laws 2016, chapter 125, section 21 is amended to read:

3 Sec. 21. Veterans' income tax settlement fund; exemption from
4 lapsing

5 A. The veterans' income tax settlement fund is established
6 consisting of monies appropriated by the legislature and other monies
7 donated or accruing to the fund. Monies in the fund are continuously
8 appropriated to the department of revenue for the purposes of LAWS 2016,
9 CHAPTER 125, sections 19 through 27 ~~of this act~~.

10 B. The department of revenue shall administer the fund. On notice
11 from the department, the state treasurer shall invest and divest monies in
12 the fund as provided by section 35-313, Arizona Revised Statutes, and
13 monies earned from investment shall be credited to the fund. Monies in
14 the fund are exempt from the provisions of section 35-190, Arizona Revised
15 Statutes, relating to lapsing of appropriations, except that unexpended
16 and unencumbered monies remaining in the fund on June 30, ~~2019~~ 2021 revert
17 to the state general fund.

18 C. Five percent of the monies in the fund at the beginning of each
19 fiscal year are appropriated separately to both the department of revenue
20 and the department of veterans' services for administrative costs incurred
21 under LAWS 2016, CHAPTER 125, sections 19 through 27 ~~of this act~~ during
22 the fiscal year. Any unexpended and unencumbered balance of either
23 appropriation remaining at the end of the fiscal year reverts to the fund.

24 Sec. 2. Laws 2016, chapter 125, section 22 is amended to read:

25 Sec. 22. Income tax settlement claims; requirements;
26 procedure; approval or denial of claim

27 A. A veteran or, if the veteran is deceased, the veteran's
28 surviving spouse, personal representative, executor or other official
29 representative of the estate, as designated pursuant to applicable state
30 or tribal law or tradition, may file a claim for a settlement payment for
31 any period of active duty in the armed forces of the United States during
32 which the veteran:

33 1. Was an enrolled member of a tribe.

34 2. Maintained a domicile within the boundaries of the veteran's
35 reservation or the reservation of the veteran's spouse or within the
36 boundaries of lands held in trust by the United States for the benefit of
37 the veteran, the veteran's spouse or the tribe of the veteran or spouse.

38 3. Had Arizona state income tax withheld from the veteran's active
39 duty military pay on or after ~~September 1, 1993~~ JULY 1, 1977 and before
40 January 1, 2006, and the amount withheld:

41 (a) Has not already been refunded to the veteran or the deceased
42 veteran's estate.

43 (b) Cannot be claimed as a refund by filing a state income tax
44 return because the period for filing a claim for refund has lapsed under
45 the applicable statute of limitations.

1 B. The claim for a settlement payment must include evidence of the
2 veteran's eligibility for and the amount of the claim as follows:

3 1. The claimant must provide a copy of the veteran's certificate of
4 release or discharge from active duty (DD Form 214) or other proof of
5 service provided by the United States department of defense and approved
6 by the department of veterans' services. If a claimant does not have a
7 copy of the veteran's DD Form 214 or other proof of service, the claimant
8 may request that the department of veterans' services request the
9 veteran's DD Form 214 or other proof of service from the United States
10 department of defense.

11 2. The claimant must provide a statement, signed by the claimant,
12 that the veteran is or was duly registered on the tribal rolls of a tribe
13 during the period or periods of the veteran's active duty in the armed
14 forces.

15 3. The claimant must provide evidence of domicile within the
16 boundaries of the veteran's reservation or the reservation of the
17 veteran's spouse or within the boundaries of lands held in trust by the
18 United States for the benefit of the veteran, the veteran's spouse or the
19 tribe of the veteran or spouse during the taxable years the state income
20 tax was withheld from active duty military pay. If the veteran's address
21 shown on the veteran's DD Form 214 or other proof of service:

22 (a) Is on the veteran's tribal land, that evidence is sufficient
23 for the purposes of this paragraph.

24 (b) Is not on the veteran's tribal land or if the veteran has no
25 DD Form 214 and the claimant cannot otherwise establish that the veteran's
26 domicile was on the veteran's tribal land, the claimant must provide a
27 signed statement, under penalty of perjury, that the veteran was domiciled
28 on tribal land during the period or periods the state income tax was
29 withheld. The statement must include the veteran's address on the tribal
30 land for each period, and an official designated by the tribe must attest
31 that each address is on tribal land.

32 4. The claimant must provide evidence of the amount of state income
33 tax withheld from active duty military pay by providing copies of the
34 United States internal revenue service Form W-2 covering active duty
35 military pay for the year or years during which state personal income tax
36 was withheld. If the claimant does not have copies of the applicable Form
37 W-2 for one or more of those years, the claimant may request that the
38 department of revenue obtain the veteran's Form W-2, or other withholding
39 information in a form approved by the department of revenue, from the
40 United States department of defense.

41 5. The claimant must provide a signed statement attesting, under
42 penalty of perjury, that the veteran has not received a refund of the
43 state income tax withheld for the years for which the claimant is filing a
44 claim for a settlement payment.

1 C. A claim for settlement payment under this section must be filed
2 by the eligible veteran or, if the veteran is deceased, by the veteran's
3 surviving spouse, successor or other personal representative. The
4 following apply if the claim is made for a deceased veteran:

5 1. The claimant must include a copy of the veteran's death
6 certificate or other proof of death.

7 2. If the veteran's estate exceeds thirty thousand dollars, only
8 the surviving spouse, personal representative, executor or other official
9 representative of the estate, as designated pursuant to applicable state
10 or tribal law or tradition, may file the claim.

11 3. If the claimant is a successor who is not the surviving spouse,
12 personal representative, executor or other official representative of the
13 estate, the claimant must include a dated and notarized statement, signed
14 under penalty of perjury, that:

15 (a) The value of the entire probate estate of the deceased veteran,
16 wherever located, minus liens and encumbrances, does not exceed thirty
17 thousand dollars.

18 (b) At least thirty days have elapsed since the veteran's death.

19 (c) The successor is entitled to receive the settlement payment.

20 4. If the claimant is a personal representative, executor or other
21 official representative of the estate, the claimant must include:

22 (a) A signed, dated and notarized statement that the claimant has
23 been duly appointed as the personal representative, executor or other
24 representative of the veteran's estate pursuant to applicable state or
25 tribal law or tradition.

26 (b) A copy of the claimant's appointment.

27 D. A claim for a settlement payment shall be denied for any amount
28 of withholding tax that can be claimed as a refund by filing a state
29 income tax return pursuant to title 43, Arizona Revised Statutes. A state
30 income tax return may be filed by a veteran to claim the refund by the
31 later of December 31 of the year three years after:

32 1. The veteran separated from military service.

33 2. The year in which Arizona withholding tax was withheld from the
34 veteran's active duty pay.

35 E. A claim for a settlement payment must be made on a claim form
36 prescribed by the department of revenue and filed with the department of
37 veterans' services.

38 F. The department of veterans' services shall not accept claims
39 submitted from and after December 31, ~~2017~~ 2019.

40 G. Within two hundred ten days after receiving a complete and
41 correct claim form, the department of veterans' services shall determine
42 whether the claim meets the requirements of subsection B, paragraphs 1, 2
43 and 3 of this section, transmit qualifying claim forms to the department
44 of revenue and notify the claimant of the department's approval or denial.
45 The failure of the department of veterans' services to respond within two

1 hundred ten days after receiving a complete and correct claim form is
2 considered to be a denial.

3 H. Within two hundred ten days after receiving the claim form from
4 the department of veterans' services, the department of revenue shall
5 determine whether the claim meets the requirements of subsection A,
6 paragraph 3 and subsection B, paragraphs 4 and 5 of this section and
7 notify the claimant and the department of veterans' services of its
8 approval or denial. The failure of the department of revenue to respond
9 within two hundred ten days after receiving the claim form is considered
10 to be a denial.

11 Sec. 3. Laws 2016, chapter 125, section 26 is amended to read:

12 Sec. 26. Veterans' income tax settlement; annual reports

13 The director of the department of revenue shall report the following
14 information to the senate appropriations and finance committees and to the
15 house of representatives appropriations and ways and means committees on
16 or before October 1 in each of years 2017 through ~~2019~~ 2021:

17 1. Estimates of the amount of state income tax withholdings subject
18 to payments under LAWS 2016, CHAPTER 125, sections 22 and 23 ~~of this act~~.

19 2. The number of veterans affected by withholdings subject to
20 payments under LAWS 2016, CHAPTER 125, sections 22 and 23 ~~of this act~~.

21 3. Expenditures from the veterans' income tax settlement fund
22 during the previous fiscal year.

23 4. Anticipated expenditures from the veterans' income tax
24 settlement fund during the current fiscal year.

25 5. Anticipated appropriations to the fund necessary to meet
26 expected payments in the next fiscal year.

27 Sec. 4. Laws 2016, chapter 125, section 28 is amended to read:

28 Sec. 28. Repeal

29 LAWS 2016, CHAPTER 125, sections 19 through 26 ~~of this act~~ are
30 repealed from and after December 31, ~~2019~~ 2021.

APPROVED BY THE GOVERNOR APRIL 28, 2017.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 28, 2017.

Passed the House February 2, 20 17

Passed the Senate April 11, 2017

by the following vote: 55 Ayes,

by the following vote: 28 Ayes,

4 Nays, 1 Not Voting

2 Nays, 0 Not Voting

[Signature]
Speaker of the House

[Signature]
President of the Senate

Pro Tempore

[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. 2158

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

April 24, 2017,

by the following vote: 47 Ayes,

4 Nays, 8 Not Voting 1 vacant


Speaker of the House

Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

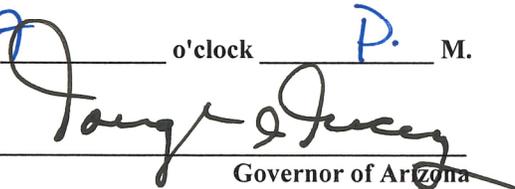
This Bill was received by the Governor this
24th day of April, 2017,

at 2:03 o'clock P. M.


Secretary to the Governor

Approved this 28th day of
April, 2017,

at 1:57 o'clock P. M.

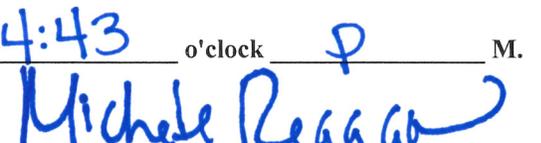

Governor of Arizona

H.B. 2158

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State
this 28 day of April, 2017,

at 4:43 o'clock P. M.


Secretary of State