



STATE OF ARIZONA
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY
GOVERNOR

EXECUTIVE OFFICE

April 5, 2018

The Honorable Michele Reagan
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Reagan:

I am transmitting to you the following bills from the Fifty-third Legislature, 2nd Regular Session, which I signed on April 5, 2018:

- HB 2027 alternative fuel special plates; veterans (Friese)
- HB 2031 spousal maintenance; significant contribution; reduction (Lawrence)
- HB 2107 pharmacies; practices; pharmacy benefits managers (Syms)
- HB 2153 campaign finance; nonprofits; disclosure (Leach)
- HB 2248 incompetency; screening; sexually violent persons (Farnsworth, E.)
- HB 2259 juvenile court facilities; shelters; use (Carter)
- HB 2311 limited liability; employers; ex-offenders (Farnsworth, E.)
- HB 2456 stadium district; extension; Rio Nuevo (Finchem)
- HB 2503 building code exemptions; public notice (Barton)
- HB 2545 EORP; cost-of-living adjustment (Livingston)
- HB 2548 health professionals; continuing education; opioids (Carter)
- HB 2647 internal revenue code conformity (Mesnard)
- SB 1043 county recorder; recording fees (Kavanagh)
- SB 1071 adoption; subsidy; review; nonrecurring expenses (Brophy McGee)
- SB 1165 child care assistance; rates (Brophy McGee)
- SB 1179 memorial; buffalo soldiers (Miranda)
- SB 1203 vehicle towing (Worsley)
- SB 1235 Native American day; state holiday (Peshlakai)
- SB 1380 children; out-of-home placement (Petersen)
- SB 1381 service contracts (Petersen)
- SB 1396 group home beds; mentally ill (Barto)

SB 1397 behavioral health; dependent children; reports (Barto)
SB 1473 kinship care; aggravated circumstances; dependency (Barto)

Sincerely,

A handwritten signature in black ink that reads "Douglas A. Ducey". The signature is written in a cursive, flowing style.

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

House Engrossed

FILED

MICHELE REAGAN

SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-third Legislature
Second Regular Session
2018

CHAPTER 142
HOUSE BILL 2647

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, ~~2017~~ 2018,
14 including those provisions that became effective during ~~2016~~ 2017 with the
15 specific adoption of their retroactive effective dates but excluding all
16 changes to the code enacted after January 1, ~~2017~~ 2018.

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

19 43-105. Internal revenue code; definition; application

20 A. FOR THE PURPOSES OF COMPUTING INCOME TAX PURSUANT TO THIS TITLE,
21 FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2017, "INTERNAL
22 REVENUE CODE" MEANS THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS
23 AMENDED, IN EFFECT ON JANUARY 1, 2017.

24 ~~A.~~ B. For the purposes of computing income tax pursuant to this
25 title, for taxable years beginning from and after December 31, 2016
26 THROUGH DECEMBER 31, 2017, "internal revenue code" means the United States
27 internal revenue code of 1986, as amended, in effect on January 1, 2017,
28 including those provisions that became effective during 2016 with the
29 specific adoption of all federal retroactive effective dates, ~~but~~
30 ~~excluding any change to the code enacted after January 1, 2017~~ AND
31 INCLUDING THOSE PROVISIONS OF THE DISASTER TAX RELIEF AND AIRPORT AND
32 AIRWAY EXTENSION ACT OF 2017 (P.L. 115-63), THE TAX CUTS AND JOBS ACT
33 (P.L.115-97) AND THE BIPARTISAN BUDGET ACT OF 2018 (P.L. 115-123) THAT ARE
34 RETROACTIVELY EFFECTIVE DURING TAXABLE YEARS BEGINNING FROM AND AFTER
35 DECEMBER 31, 2016 THROUGH DECEMBER 31, 2017.

36 ~~B.~~ C. For the purposes of computing income tax pursuant to this
37 title, for taxable years beginning from and after December 31, 2015
38 through December 31, 2016, "internal revenue code" means the United States
39 internal revenue code of 1986, as amended, in effect on January 1, 2016,
40 including those provisions that became effective during 2015 with the
41 specific adoption of all federal retroactive effective dates, and
42 including those provisions of the United States appreciation for olympians
43 and paralympians act of 2016 (P.L. 114-239) AND THE TAX CUTS AND JOBS ACT
44 (P.L. 115-97) that are retroactively effective during taxable years
45 beginning from and after December 31, 2015 through December 31, 2016.

1 ~~E~~. D. For the purposes of computing income tax pursuant to this
2 title, for taxable years beginning from and after December 31, 2014
3 through December 31, 2015, "internal revenue code" means the United States
4 internal revenue code of 1986, as amended, in effect on January 1, 2015,
5 including those provisions that became effective during 2014 with the
6 specific adoption of all federal retroactive effective dates, and
7 including those provisions of the slain officer family support act of 2015
8 (P.L. 114-7), the don't tax our fallen public safety heroes act
9 (P.L. 114-14), the surface transportation and veterans health care choice
10 improvement act of 2015 (P.L. 114-41) and the consolidated appropriations
11 act, 2016 (P.L. 114-113) that are retroactively effective during taxable
12 years beginning from and after December 31, 2014 through December 31,
13 2015.

14 ~~D~~. E. For the purposes of computing income tax pursuant to this
15 title, for taxable years beginning from and after December 31, 2013
16 through December 31, 2014, "internal revenue code" means the United States
17 internal revenue code of 1986, as amended, in effect on January 1, 2014,
18 including those provisions that became effective during 2013 with the
19 specific adoption of all federal retroactive effective dates, and
20 including those provisions of the Philippines charitable giving assistance
21 act (P.L. 113-92), the Gabriella Miller kids first research act
22 (P.L. 113-94), the cooperative and small employer charity pension
23 flexibility act (P.L. 113-97), the highway and transportation funding act
24 of 2014 (P.L. 113-159), the tribal general welfare exclusion act of 2014
25 (P.L. 113-168), the consolidated and further continuing appropriations
26 act, 2015 (P.L. 113-235), the 2014 airline bankruptcy payments rollover
27 act (P.L. 113-243), the tax increase prevention act of 2014
28 (P.L. 113-295), the slain officer family support act of 2015 (P.L. 114-7)
29 and the consolidated appropriations act, 2016 (P.L. 114-113) that are
30 retroactively effective during taxable years beginning from and after
31 December 31, 2013 through December 31, 2014.

32 ~~E~~. F. For the purposes of computing income tax pursuant to this
33 title, for taxable years beginning from and after December 31, 2012
34 through December 31, 2013, "internal revenue code" means the United States
35 internal revenue code of 1986, as amended, in effect on January 3, 2013,
36 including those provisions that became effective during 2012 with the
37 specific adoption of all federal retroactive effective dates, and
38 including those provisions of the Philippines charitable giving assistance
39 act (P.L. 113-92), the highway and transportation funding act of 2014
40 (P.L. 113-159), the tribal general welfare exclusion act of 2014
41 (P.L. 113-168), the 2014 airline bankruptcy payments rollover act
42 (P.L. 113-243), the tax technical corrections act of 2014 (P.L. 113-295,
43 division A, title II) and the consolidated appropriations act, 2016
44 (P.L. 114-113) that are retroactively effective during taxable years
45 beginning from and after December 31, 2012 through December 31, 2013.

1 ~~F~~. G. For the purposes of computing income tax pursuant to this
2 title, for taxable years beginning from and after December 31, 2011
3 through December 31, 2012, "internal revenue code" means the United States
4 internal revenue code of 1986, as amended, in effect on January 1, 2012,
5 including those provisions that became effective during 2011 with the
6 specific adoption of all federal retroactive effective dates, and
7 including those provisions of the FAA modernization and reform act of 2012
8 (P.L. 112-95), the moving ahead for progress in the 21st century act
9 (P.L. 112-141), the American taxpayer relief act of 2012 (P.L. 112-240),
10 the 2014 airline bankruptcy payments rollover act (P.L. 113-243), the
11 tribal general welfare exclusion act of 2014 (P.L. 113-168), the tax
12 technical corrections act of 2014 (P.L. 113-295, division A, title II) and
13 the consolidated appropriations act, 2016 (P.L. 114-113) that are
14 retroactively effective during taxable years beginning from and after
15 December 31, 2011 through December 31, 2012.

16 ~~G~~. H. For the purposes of computing income tax pursuant to this
17 title, for taxable years beginning from and after December 31, 2010
18 through December 31, 2011, "internal revenue code" means the United States
19 internal revenue code of 1986, as amended, in effect on January 1, 2011,
20 including those provisions that became effective during 2010 with the
21 specific adoption of all federal retroactive effective dates, and
22 including those provisions of Public Law 112-40, the moving ahead for
23 progress in the 21st century act (P.L. 112-141), the American taxpayer
24 relief act of 2012 (P.L. 112-240), the tribal general welfare exclusion
25 act of 2014 (P.L. 113-168) and the tax technical corrections act of 2014
26 (P.L. 113-295, division A, title II) that are retroactively effective
27 during taxable years beginning from and after December 31, 2010 through
28 December 31, 2011.

29 ~~H~~. I. For the purposes of computing income tax pursuant to this
30 title, for taxable years beginning from and after December 31, 2009
31 through December 31, 2010, "internal revenue code" means the United States
32 internal revenue code of 1986, as amended, in effect on January 1, 2010,
33 including those provisions that became effective during 2009 with the
34 specific adoption of all federal retroactive effective dates, and
35 including those provisions of the temporary extension act of 2010
36 (P.L. 111-144), the hiring incentives to restore employment act
37 (P.L. 111-147), the patient protection and affordable care act
38 (P.L. 111-148), the health care and education reconciliation act of 2010
39 (P.L. 111-152), the preservation of access to care for medicare
40 beneficiaries and pension relief act of 2010 (P.L. 111-192), the
41 Dodd-Frank Wall Street reform and consumer protection act (P.L. 111-203),
42 the small business jobs act of 2010 (P.L. 111-240), the claims resolution
43 act of 2010 (P.L. 111-291), the tax relief, unemployment insurance
44 reauthorization, and job creation act of 2010 (P.L. 111-312), the
45 regulated investment company modernization act of 2010 (P.L. 111-325) and

1 the tax technical corrections act of 2014 (P.L. 113-295, division A,
2 title II) that are retroactively effective during taxable years beginning
3 from and after December 31, 2009 through December 31, 2010.

4 ~~†~~ J. For purposes of computing income tax pursuant to this title,
5 for taxable years beginning from and after December 31, 2008 through
6 December 31, 2009, "internal revenue code" means the United States
7 internal revenue code of 1986, as amended, in effect on January 1, 2009,
8 including those provisions that became effective during 2008 with the
9 specific adoption of all federal retroactive effective dates, and
10 including those provisions of the American recovery and reinvestment act
11 of 2009 (P.L. 111-5) except section 1211, the consumer assistance to
12 recycle and save act of 2009 (P.L. 111-32), the worker, homeownership, and
13 business assistance act of 2009 (P.L. 111-92) except section 13, the
14 hiring incentives to restore employment act (P.L. 111-147), the patient
15 protection and affordable care act (P.L. 111-148), the preservation of
16 access to care for medicare beneficiaries and pension relief act of 2010
17 (P.L. 111-192), the small business jobs act of 2010 (P.L. 111-240), the
18 tax relief, unemployment insurance reauthorization, and job creation act
19 of 2010 (P.L. 111-312) and the tax technical corrections act of 2014
20 (P.L. 113-295, division A, title II) that are retroactively effective
21 during taxable years beginning from and after December 31, 2008 through
22 December 31, 2009.

23 ~~‡~~ K. For purposes of computing income tax pursuant to this title,
24 for taxable years beginning from and after December 31, 2007 through
25 December 31, 2008, "internal revenue code" means the United States
26 internal revenue code of 1986, as amended, in effect on January 1, 2008,
27 including those provisions that became effective during 2007 with the
28 specific adoption of all federal retroactive effective dates and including
29 those provisions of the economic stimulus act of 2008 (P.L. 110-185), the
30 heroes earnings assistance and relief tax act of 2008 (P.L. 110-245), the
31 heartland, habitat, harvest and horticulture act of 2008 (P.L. 110-246),
32 the housing assistance tax act of 2008 (P.L. 110-289), the emergency
33 economic stabilization act of 2008 (P.L. 110-343), the worker, retiree,
34 and employer recovery act of 2008 (P.L. 110-458), the American recovery
35 and reinvestment act of 2009 (P.L. 111-5) except section 1211, the worker,
36 homeownership, and business assistance act of 2009 (P.L. 111-92) except
37 section 13 and the tax technical corrections act of 2014 (P.L. 113-295,
38 division A, title II) that are retroactively effective during taxable
39 years beginning from and after December 31, 2007 through December 31,
40 2008.

41 ~~K. For purposes of computing income tax pursuant to this title, for~~
42 ~~taxable years beginning from and after December 31, 2006 through December~~
43 ~~31, 2007, "internal revenue code" means the United States internal revenue~~
44 ~~code of 1986, as amended, in effect on January 1, 2007, including those~~
45 ~~provisions that became effective during 2006 with the specific adoption of~~

1 ~~all federal retroactive effective dates and including those provisions of~~
2 ~~the small business and work opportunity tax act of 2007 (P.L. 110-28), the~~
3 ~~energy independence and security act of 2007 (P.L. 110-140), Public Law~~
4 ~~110-141, the mortgage forgiveness debt relief act of 2007 (P.L. 110-142),~~
5 ~~the tax technical corrections act of 2007 (P.L. 110-172), the economic~~
6 ~~stimulus act of 2008 (P.L. 110-185), the heroes earnings assistance and~~
7 ~~relief tax act of 2008 (P.L. 110-245), the heartland, habitat, harvest and~~
8 ~~horticulture act of 2008 (P.L. 110-246), the housing assistance tax act of~~
9 ~~2008 (P.L. 110-289), the emergency economic stabilization act of 2008~~
10 ~~(P.L. 110-343), the worker, retiree, and employer recovery act of 2008~~
11 ~~(P.L. 110-458) and the tax technical corrections act of 2014~~
12 ~~(P.L. 113-295, division A, title II) that are retroactively effective~~
13 ~~during taxable years beginning from and after December 31, 2006 through~~
14 ~~December 31, 2007.~~

APPROVED BY THE GOVERNOR APRIL 5, 2018

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 5, 2018

Passed the House February 22, 20 18

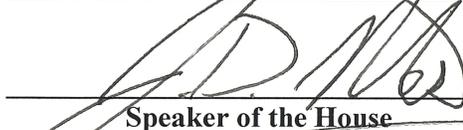
Passed the Senate April 3, 20 18

by the following vote: 42 Ayes,

by the following vote: 30 Ayes,

13 Nays, 5 Not Voting

0 Nays, 0 Not Voting



Speaker of the House

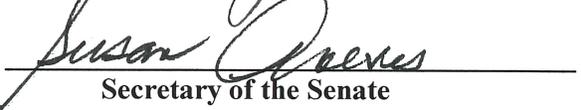


President of the Senate

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

3rd day of April, 20 18

at 2:18 o'clock P. M.



Secretary to the Governor

Approved this 5th day of

April 2018

at 2:56 o'clock P. M.



Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 5 day of April, 20 18

at 4:41 o'clock P. M.



Secretary of State