



STATE OF ARIZONA  
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY  
GOVERNOR

EXECUTIVE OFFICE

March 24, 2020

The Honorable Katie Hobbs  
Secretary of State  
1700 W. Washington, 7<sup>th</sup> Floor  
Phoenix, AZ 85007

Dear Secretary Hobbs:

I am transmitting to you the following bills from the Fifty-fourth Legislature, 2nd Regular Session, which I signed on March 24th, 2020:

H.B. 2494 internal revenue code; conformity (Toma)  
H.B. 2625 civics celebration day; civics education (Bolick)  
H.B. 2684 crisis management team; underperforming districts (Udall)  
S.B. 1049 advisory council on aging (Brophy-McGee)  
S.B. 1050 board of athletic training; continuation (Brophy-McGee)  
S.B. 1052 homeopathic board; continuation (Brophy-McGee)  
S.B. 1053 psychiatric security review board; continuation (Brophy-McGee)  
S.B. 1054 psychology board; continuation (Brophy-McGee)  
S.B. 1055 hard of hearing; commission; continuation (Brophy-McGee)  
S.B. 1072 state board of investment; continuation (Leach)  
S.B. 1128 joint legislative budget committee; continuation (Gowan)  
S.B. 1130 auditor general; continuation. (Gray)  
S.B. 1275 department of gaming; continuation (Ugenti-Rita)  
S.B. 1293 DOI; DFI; omnibus (Livingston)  
S.B. 1294 insurance and financial institutions; continuation (Mesnard)  
S.B. 1295 department of revenue; continuation (Mesnard)  
S.B. 1296 internal revenue code; conformity. (Mesnard)  
S.B. 1297 legislative council; continuation (Fann)  
S.B. 1331 self-insured employers; deviation continuation(Livingston)  
S.B. 1348 tax corrections act of 2020 (Mesnard)  
S.B. 1408 ombudsman-citizens aide; continuation; reports; assistants (Farnsworth, D.)  
S.B. 1399 reviser's technical corrections; 2020 (Gray)

Sincerely,

Douglas A. Ducey  
Governor  
State of Arizona

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

House Engrossed  
**FILED**  
**KATIE HOBBS**  
**SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Fifty-fourth Legislature  
Second Regular Session  
2020

**CHAPTER 24**  
**HOUSE BILL 2494**

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. "Electronically send" or "send electronically" means to send by  
13 either ~~e-mail~~ EMAIL or the use of an electronic portal.

14 6. "Electronic portal" means a secure location on a website  
15 established by the department that requires the receiver to enter a  
16 password to access.

17 7. "~~E-mail~~ EMAIL" means:

18 (a) An electronic transmission of a message to an ~~e-mail~~ EMAIL  
19 address.

20 (b) If the message contains confidential information, ~~e-mail~~ means  
21 the electronic transmission of a message to an ~~e-mail~~ EMAIL address using  
22 encryption software that requires the receiver to enter a password before  
23 the message can be retrieved and viewed.

24 8. "Internal revenue code" means the United States internal revenue  
25 code of 1986, as amended and in effect as of January 1, ~~2019~~ 2020,  
26 including those provisions that became effective during ~~2018~~ 2019 with the  
27 specific adoption of their retroactive effective dates but excluding all  
28 changes to the code enacted after January 1, ~~2019~~ 2020.

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

31 43-105. Internal revenue code; definition; application

32 A. FOR THE PURPOSES OF COMPUTING INCOME TAX PURSUANT TO THIS TITLE,  
33 FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2019, "INTERNAL  
34 REVENUE CODE" MEANS THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS  
35 AMENDED, IN EFFECT ON JANUARY 1, 2020, INCLUDING THOSE PROVISIONS THAT  
36 BECAME EFFECTIVE DURING 2019 WITH THE SPECIFIC ADOPTION OF ALL RETROACTIVE  
37 EFFECTIVE DATES, BUT EXCLUDING ANY CHANGES TO THE CODE ENACTED AFTER  
38 JANUARY 1, 2020.

39 ~~A.~~ B. For the purposes of computing income tax pursuant to this  
40 title, for taxable years beginning from and after December 31, 2018  
41 THROUGH DECEMBER 31, 2019, "internal revenue code" means the United States  
42 internal revenue code of 1986, as amended, in effect on January 1, 2019,  
43 including those provisions that became effective during 2018 with the  
44 specific adoption of all retroactive effective dates, ~~but excluding any~~  
45 ~~changes to the code enacted after January 1, 2019~~ AND INCLUDING THOSE

1 PROVISIONS OF THE TAXPAYER FIRST ACT (P.L. 116-25) AND THE FURTHER  
2 CONSOLIDATED APPROPRIATIONS ACT, 2020 (P.L. 116-94) THAT ARE RETROACTIVELY  
3 EFFECTIVE DURING TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2018  
4 THROUGH DECEMBER 31, 2019.

5 ~~B.~~ C. For the purposes of computing income tax pursuant to this  
6 title, for taxable years beginning from and after December 31, 2017  
7 through December 31, 2018, "internal revenue code" means the United States  
8 internal revenue code of 1986, as amended, in effect on January 1, 2018,  
9 including those provisions that became effective during 2017 with the  
10 specific adoption of all retroactive effective dates, and including those  
11 provisions of the bipartisan budget act of 2018 (P.L. 115-123), ~~and~~ the  
12 consolidated appropriations act, 2018 (P.L. 115-141) AND THE FURTHER  
13 CONSOLIDATED APPROPRIATIONS ACT, 2020 (P.L. 116-94) that are retroactively  
14 effective during taxable years beginning from and after December 31, 2017  
15 through December 31, 2018.

16 ~~C.~~ D. For the purposes of computing income tax pursuant to this  
17 title, for taxable years beginning from and after December 31, 2016  
18 through December 31, 2017, "internal revenue code" means the United States  
19 internal revenue code of 1986, as amended, in effect on January 1, 2017,  
20 including those provisions that became effective during 2016 with the  
21 specific adoption of all federal retroactive effective dates, and  
22 including those provisions of the disaster tax relief and airport and  
23 airway extension act of 2017 (P.L. 115-63), the tax cuts and jobs act  
24 (P.L. 115-97), the bipartisan budget act of 2018 (P.L. 115-123), ~~and~~ the  
25 consolidated appropriations act, 2018 (P.L. 115-141) AND THE FURTHER  
26 CONSOLIDATED APPROPRIATIONS ACT, 2020 (P.L. 116-94) that are retroactively  
27 effective during taxable years beginning from and after December 31, 2016  
28 through December 31, 2017.

29 ~~D.~~ E. For the purposes of computing income tax pursuant to this  
30 title, for taxable years beginning from and after December 31, 2015  
31 through December 31, 2016, "internal revenue code" means the United States  
32 internal revenue code of 1986, as amended, in effect on January 1, 2016,  
33 including those provisions that became effective during 2015 with the  
34 specific adoption of all federal retroactive effective dates, and  
35 including those provisions of the United States appreciation for olympians  
36 and paralympians act of 2016 (P.L. 114-239), the tax cuts and jobs act  
37 (P.L. 115-97), ~~and~~ the consolidated appropriations act, 2018  
38 (P.L. 115-141) AND THE FURTHER CONSOLIDATED APPROPRIATIONS ACT, 2020  
39 (P.L. 116-94) that are retroactively effective during taxable years  
40 beginning from and after December 31, 2015 through December 31, 2016.

41 ~~E.~~ F. For the purposes of computing income tax pursuant to this  
42 title, for taxable years beginning from and after December 31, 2014  
43 through December 31, 2015, "internal revenue code" means the United States  
44 internal revenue code of 1986, as amended, in effect on January 1, 2015,  
45 including those provisions that became effective during 2014 with the

1 specific adoption of all federal retroactive effective dates, and  
2 including those provisions of the slain officer family support act of 2015  
3 (P.L. 114-7), the don't tax our fallen public safety heroes act  
4 (P.L. 114-14), the surface transportation and veterans health care choice  
5 improvement act of 2015 (P.L. 114-41), the consolidated appropriations  
6 act, 2016 (P.L. 114-113) and the consolidated appropriations act, 2018  
7 (P.L. 115-141) that are retroactively effective during taxable years  
8 beginning from and after December 31, 2014 through December 31, 2015.

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

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

41 ~~H.~~ I. For the purposes of computing income tax pursuant to this  
42 title, for taxable years beginning from and after December 31, 2011  
43 through December 31, 2012, "internal revenue code" means the United States  
44 internal revenue code of 1986, as amended, in effect on January 1, 2012,  
45 including those provisions that became effective during 2011 with the

1 specific adoption of all federal retroactive effective dates, and  
2 including those provisions of the FAA modernization and reform act of 2012  
3 (P.L. 112-95), the moving ahead for progress in the 21st century act  
4 (P.L. 112-141), the American taxpayer relief act of 2012 (P.L. 112-240),  
5 the 2014 airline bankruptcy payments rollover act (P.L. 113-243), the  
6 tribal general welfare exclusion act of 2014 (P.L. 113-168), the tax  
7 technical corrections act of 2014 (P.L. 113-295, division A, title II) and  
8 the consolidated appropriations act, 2016 (P.L. 114-113) that are  
9 retroactively effective during taxable years beginning from and after  
10 December 31, 2011 through December 31, 2012.

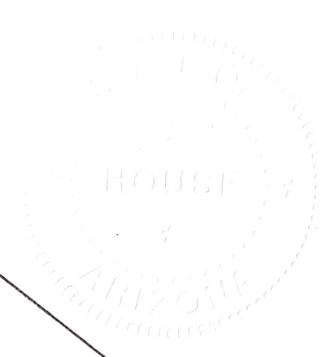
11 ~~†~~ J. For the purposes of computing income tax pursuant to this  
12 title, for taxable years beginning from and after December 31, 2010  
13 through December 31, 2011, "internal revenue code" means the United States  
14 internal revenue code of 1986, as amended, in effect on January 1, 2011,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

24 ~~†~~ K. For the purposes of computing income tax pursuant to this  
25 title, for taxable years beginning from and after December 31, 2009  
26 through December 31, 2010, "internal revenue code" means the United States  
27 internal revenue code of 1986, as amended, in effect on January 1, 2010,  
28 including those provisions that became effective during 2009 with the  
29 specific adoption of all federal retroactive effective dates, and  
30 including those provisions of the temporary extension act of 2010  
31 (P.L. 111-144), the hiring incentives to restore employment act  
32 (P.L. 111-147), the patient protection and affordable care act  
33 (P.L. 111-148), the health care and education reconciliation act of 2010  
34 (P.L. 111-152), the preservation of access to care for medicare  
35 beneficiaries and pension relief act of 2010 (P.L. 111-192), the  
36 Dodd-Frank Wall Street reform and consumer protection act (P.L. 111-203),  
37 the small business jobs act of 2010 (P.L. 111-240), the claims resolution  
38 act of 2010 (P.L. 111-291), the tax relief, unemployment insurance  
39 reauthorization, and job creation act of 2010 (P.L. 111-312), the  
40 regulated investment company modernization act of 2010 (P.L. 111-325) and  
41 the tax technical corrections act of 2014 (P.L. 113-295, division A,  
42 title II) that are retroactively effective during taxable years beginning  
43 from and after December 31, 2009 through December 31, 2010.

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

**APPROVED BY THE GOVERNOR MARCH 24, 2020.**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 24, 2020.**



Passed the House February 19, 2020

Passed the Senate March 17, 2020

by the following vote: 60 Ayes,

by the following vote: 24 Ayes,

0 Nays, 0 Not Voting

1 Nays, 5 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

18<sup>th</sup> day of March, 20 20

at 11:56 o'clock A M.

[Signature]  
Secretary to the Governor

Approved this 24<sup>th</sup> day of

March 2020

at 2:31 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 24<sup>th</sup> day of March, 20 20

at 4:29 o'clock P. M.

[Signature]

Secretary of State

H.B. 2494