

State of Arizona  
Senate  
Forty-seventh Legislature  
Second Regular Session  
2006

# SENATE BILL 1465

AN ACT

AMENDING SECTIONS 43-1011 AND 43-1111, ARIZONA REVISED STATUTES; RELATING TO  
INDIVIDUAL AND CORPORATE INCOME TAX RATES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 43-1011, Arizona Revised Statutes, is amended to  
3 read:

4 43-1011. Taxes and tax rates

5 There shall be levied, collected and paid for each taxable year upon  
6 the entire taxable income of every resident of this state and upon the entire  
7 taxable income of every nonresident which is derived from sources within this  
8 state taxes determined in the following manner:

9 1. For taxable years beginning from and after December 31, 1996  
10 through December 31, 1997:

11 (a) In the case of a single person or a married person filing  
12 separately:

13 If taxable income is: The tax is:

14 \$0 - \$10,000	2.90% of taxable income
15 \$10,001 - \$25,000	\$290, plus 3.30% of the excess over \$10,000
16 \$25,001 - \$50,000	\$785, plus 3.90% of the excess over \$25,000
17 \$50,001 - \$150,000	\$1,760, plus 4.80% of the excess over \$50,000
18 \$150,001 and over	\$6,560, plus 5.17% of the excess over \$150,000

19 (b) In the case of a married couple filing a joint return or a single  
20 person who is a head of a household:

21 If taxable income is: The tax is:

22 \$0 - \$20,000	2.90% of taxable income
23 \$20,001 - \$50,000	\$580, plus 3.30% of the excess over \$20,000
24 \$50,001 - \$100,000	\$1,570, plus 3.90% of the excess over \$50,000
25 \$100,001 - \$300,000	\$3,520, plus 4.80% of the excess over \$100,000
26 \$300,001 and over	\$13,120, plus 5.17% of the excess over \$300,000

27 2. For taxable years beginning from and after December 31, 1997  
28 through December 31, 1998:

29 (a) In the case of a single person or a married person filing  
30 separately:

31 If taxable income is: The tax is:

32 \$0 - \$10,000	2.88% of taxable income
33 \$10,001 - \$25,000	\$288, plus 3.24% of the excess over \$10,000
34 \$25,001 - \$50,000	\$774, plus 3.82% of the excess over \$25,000
35 \$50,001 - \$150,000	\$1,729, plus 4.74% of the excess over \$50,000
36 \$150,001 and over	\$6,469, plus 5.10% of the excess over \$150,000

37 (b) In the case of a married couple filing a joint return or a single  
38 person who is a head of a household:

39 If taxable income is: The tax is:

40 \$0 - \$20,000	2.88% of taxable income
41 \$20,001 - \$50,000	\$576, plus 3.24% of the excess over \$20,000
42 \$50,001 - \$100,000	\$1,548, plus 3.82% of the excess over \$50,000
43 \$100,001 - \$300,000	\$3,458, plus 4.74% of the excess over \$100,000
44 \$300,001 and over	\$12,938, plus 5.10% of the excess over \$300,000

1           3. For taxable years beginning from and after December 31, 1998  
2 THROUGH DECEMBER 31, 2005:

3           (a) In the case of a single person or a married person filing  
4 separately:

5           If taxable income is: The tax is:

6           \$0 - \$10,000	2.87% of taxable income
7           \$10,001 - \$25,000	\$287, plus 3.20% of the excess over \$10,000
8           \$25,001 - \$50,000	\$767, plus 3.74% of the excess over \$25,000
9           \$50,001 - \$150,000	\$1,702, plus 4.72% of the excess over \$50,000
10           \$150,001 and over	\$6,422, plus 5.04% of the excess over \$150,000

11           (b) In the case of a married couple filing a joint return or a single  
12 person who is a head of a household:

13           If taxable income is: The tax is:

14           \$0 - \$20,000	2.87% of taxable income
15           \$20,001 - \$50,000	\$574, plus 3.20% of the excess over \$20,000
16           \$50,001 - \$100,000	\$1,534, plus 3.74% of the excess over \$50,000
17           \$100,001 - \$300,000	\$3,404, plus 4.72% of the excess over \$100,000
18           \$300,001 and over	\$12,844, plus 5.04% of the excess over \$300,000

19           4. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2005  
20 THROUGH DECEMBER 31, 2006:

21           (a) IN THE CASE OF A SINGLE PERSON OR A MARRIED PERSON FILING  
22 SEPARATELY:

23           IF TAXABLE INCOME IS: THE TAX IS:

24           \$0 - \$10,000	2.73% OF TAXABLE INCOME
25           \$10,001 - \$25,000	\$273, PLUS 3.04% OF THE EXCESS OVER \$10,000
26           \$25,001 - \$50,000	\$729, PLUS 3.55% OF THE EXCESS OVER \$25,000
27           \$50,001 - \$150,000	\$1,617, PLUS 4.48% OF THE EXCESS OVER \$50,000
28           \$150,001 AND OVER	\$6,097, PLUS 4.79% OF THE EXCESS OVER \$150,000

29           (b) IN THE CASE OF A MARRIED COUPLE FILING A JOINT RETURN OR A SINGLE  
30 PERSON WHO IS A HEAD OF A HOUSEHOLD:

31           IF TAXABLE INCOME IS: THE TAX IS:

32           \$0 - \$20,000	2.73% OF TAXABLE INCOME
33           \$20,001 - \$50,000	\$546, PLUS 3.04% OF THE EXCESS OVER \$20,000
34           \$50,001 - \$100,000	\$1,458, PLUS 3.55% OF THE EXCESS OVER \$50,000
35           \$100,001 - \$300,000	\$3,233, PLUS 4.48% OF THE EXCESS OVER \$100,000
36           \$300,001 AND OVER	\$12,193, PLUS 4.79% OF THE EXCESS OVER \$300,000

37           5. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2006  
38 THROUGH DECEMBER 31, 2007:

39           (a) IN THE CASE OF A SINGLE PERSON OR A MARRIED PERSON FILING  
40 SEPARATELY:

41           IF TAXABLE INCOME IS: THE TAX IS:

42           \$0 - \$10,000	2.59% OF TAXABLE INCOME
43           \$10,001 - \$25,000	\$259, PLUS 2.88% OF THE EXCESS OVER \$10,000
44           \$25,001 - \$50,000	\$691, PLUS 3.36% OF THE EXCESS OVER \$25,000
45           \$50,001 - \$150,000	\$1,537, PLUS 4.24% OF THE EXCESS OVER \$50,000

1           \$150,001 AND OVER           \$5,771, PLUS 4.54% OF THE EXCESS OVER \$150,000  
2           (b) IN THE CASE OF A MARRIED COUPLE FILING A JOINT RETURN OR A SINGLE  
3 PERSON WHO IS A HEAD OF A HOUSEHOLD:  
4           IF TAXABLE INCOME IS:   THE TAX IS:  
5           \$0 - \$20,000           2.59% OF TAXABLE INCOME  
6           \$20,001 - \$50,000       \$518, PLUS 2.88% OF THE EXCESS OVER \$20,000  
7           \$50,001 - \$100,000       \$1,382, PLUS 3.36% OF THE EXCESS OVER \$50,000  
8           \$100,001 - \$300,000       \$3,062, PLUS 4.24% OF THE EXCESS OVER \$100,000  
9           \$300,001 AND OVER       \$11,542, PLUS 4.54% OF THE EXCESS OVER \$300,000  
10          6. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2007  
11 THROUGH DECEMBER 31, 2008:  
12          (a) IN THE CASE OF A SINGLE PERSON OR A MARRIED PERSON FILING  
13 SEPARATELY:  
14          IF TAXABLE INCOME IS:   THE TAX IS:  
15          \$0 - \$10,000           2.45% OF TAXABLE INCOME  
16          \$10,001 - \$25,000       \$245, PLUS 2.72% OF THE EXCESS OVER \$10,000  
17          \$25,001 - \$50,000       \$653, PLUS 3.17% OF THE EXCESS OVER \$25,000  
18          \$50,001 - \$150,000       \$1,446, PLUS 4.00% OF THE EXCESS OVER \$50,000  
19          \$150,001 AND OVER       \$5,446, PLUS 4.29% OF THE EXCESS OVER \$150,000  
20          (b) IN THE CASE OF A MARRIED COUPLE FILING A JOINT RETURN OR A SINGLE  
21 PERSON WHO IS A HEAD OF A HOUSEHOLD:  
22          IF TAXABLE INCOME IS:   THE TAX IS:  
23          \$0 - \$20,000           2.45% OF TAXABLE INCOME  
24          \$20,001 - \$50,000       \$490, PLUS 2.72% OF THE EXCESS OVER \$20,000  
25          \$50,001 - \$100,000       \$1,306, PLUS 3.17% OF THE EXCESS OVER \$50,000  
26          \$100,001 - \$300,000       \$2,891, PLUS 4.00% OF THE EXCESS OVER \$100,000  
27          \$300,001 AND OVER       \$10,891, PLUS 4.29% OF THE EXCESS OVER \$300,000  
28          7. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2008  
29 THROUGH DECEMBER 31, 2009:  
30          (a) IN THE CASE OF A SINGLE PERSON OR A MARRIED PERSON FILING  
31 SEPARATELY:  
32          IF TAXABLE INCOME IS:   THE TAX IS:  
33          \$0 - \$10,000           2.31% OF TAXABLE INCOME  
34          \$10,001 - \$25,000       \$231, PLUS 2.56% OF THE EXCESS OVER \$10,000  
35          \$25,001 - \$50,000       \$615, PLUS 2.98% OF THE EXCESS OVER \$25,000  
36          \$50,001 - \$150,000       \$1,360, PLUS 3.76% OF THE EXCESS OVER \$50,000  
37          \$150,001 AND OVER       \$5,120, PLUS 4.04% OF THE EXCESS OVER \$150,000  
38          (b) IN THE CASE OF A MARRIED COUPLE FILING A JOINT RETURN OR A SINGLE  
39 PERSON WHO IS A HEAD OF A HOUSEHOLD:  
40          IF TAXABLE INCOME IS:   THE TAX IS:  
41          \$0 - \$20,000           2.31% OF TAXABLE INCOME  
42          \$20,001 - \$50,000       \$462, PLUS 2.56% OF THE EXCESS OVER \$20,000  
43          \$50,001 - \$100,000       \$1,230, PLUS 2.98% OF THE EXCESS OVER \$50,000  
44          \$100,001 - \$300,000       \$2,720, PLUS 3.76% OF THE EXCESS OVER \$100,000  
45          \$300,001 AND OVER       \$10,240, PLUS 4.04% OF THE EXCESS OVER \$300,000

1 8. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2009:  
2 (a) IN THE CASE OF A SINGLE PERSON OR A MARRIED PERSON FILING  
3 SEPARATELY:

4 IF TAXABLE INCOME IS:	THE TAX IS:
5 \$0 - \$10,000	2.17% OF TAXABLE INCOME
6 \$10,001 - \$25,000	\$217, PLUS 2.40% OF THE EXCESS OVER \$10,000
7 \$25,001 - \$50,000	\$577, PLUS 2.79% OF THE EXCESS OVER \$25,000
8 \$50,001 - \$150,000	\$1,275, PLUS 3.52% OF THE EXCESS OVER \$50,000
9 \$150,001 AND OVER	\$4,795, PLUS 3.79% OF THE EXCESS OVER \$150,000

10 (b) IN THE CASE OF A MARRIED COUPLE FILING A JOINT RETURN OR A SINGLE  
11 PERSON WHO IS A HEAD OF A HOUSEHOLD:

12 IF TAXABLE INCOME IS:	THE TAX IS:
13 \$0 - \$20,000	2.17% OF TAXABLE INCOME
14 \$20,001 - \$50,000	\$434, PLUS 2.40% OF THE EXCESS OVER \$20,000
15 \$50,001 - \$100,000	\$1,154, PLUS 2.79% OF THE EXCESS OVER \$50,000
16 \$100,001 - \$300,000	\$2,549, PLUS 3.52% OF THE EXCESS OVER \$100,000
17 \$300,001 AND OVER	\$9,589, PLUS 3.79% OF THE EXCESS OVER \$300,000

18 Sec. 2. Section 43-1111, Arizona Revised Statutes, is amended to read:  
19 43-1111. Tax rates for corporations

20 There shall be levied, collected and paid for each taxable year upon  
21 the entire Arizona taxable income of every corporation, unless exempt under  
22 section 43-1126 or 43-1201 or as otherwise provided in this title or by law,  
23 taxes in an amount of ~~6.968 per cent of net income or~~ THE GREATER OF fifty  
24 dollars, ~~whichever is greater.~~ OR:

- 25 1. 6.968 PER CENT OF NET INCOME FOR TAXABLE YEARS BEGINNING FROM AND  
26 AFTER DECEMBER 31, 2005 THROUGH DECEMBER 31, 2006.
- 27 2. 6.65 PER CENT OF NET INCOME FOR TAXABLE YEARS BEGINNING FROM AND  
28 AFTER DECEMBER 31, 2006 THROUGH DECEMBER 31, 2007.
- 29 3. 6.30 PER CENT OF NET INCOME FOR TAXABLE YEARS BEGINNING FROM AND  
30 AFTER DECEMBER 31, 2007 THROUGH DECEMBER 31, 2008.
- 31 4. 5.95 PER CENT OF NET INCOME FOR TAXABLE YEARS BEGINNING FROM AND  
32 AFTER DECEMBER 31, 2008 THROUGH DECEMBER 31, 2009.
- 33 5. 5.60 PER CENT OF NET INCOME FOR TAXABLE YEARS BEGINNING FROM AND  
34 AFTER DECEMBER 31, 2009 THROUGH DECEMBER 31, 2010.
- 35 6. 5.25 PER CENT OF NET INCOME FOR TAXABLE YEARS BEGINNING FROM AND  
36 AFTER DECEMBER 31, 2010.

37 Sec. 3. Retroactivity

38 This act applies retroactively to taxable years beginning from and  
39 after December 31, 2005.