

REFERENCE TITLE: income tax; investment partnerships; nonresidents

State of Arizona
Senate
Forty-eighth Legislature
First Regular Session
2007

SB 1523

Introduced by
Senator Huppenthal

AN ACT

AMENDING SECTION 43-1094, ARIZONA REVISED STATUTES; RELATING TO TAXATION OF
NONRESIDENT INCOME.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 43-1094, Arizona Revised Statutes, is amended to
3 read:

4 43-1094. Adjusted gross income of a nonresident

5 A. In computing Arizona adjusted gross income, a nonresident
6 individual ~~should~~ SHALL make ~~such~~ THE adjustments ~~as are~~ included in sections
7 43-1021 and 43-1022 which apply to income included in ~~his~~ THE INDIVIDUAL'S
8 Arizona gross income except as provided in ~~subsection B of~~ this section.

9 B. For a nonresident individual the exemption allowed by section
10 43-1022, paragraph 1 shall be allowed in an amount equal to that percentage
11 of the exemptions set forth in section 43-1023 which ~~his~~ THE INDIVIDUAL'S
12 Arizona gross income is of ~~his~~ THE federal adjusted gross income.

13 C. IN COMPUTING ARIZONA ADJUSTED GROSS INCOME, A NONRESIDENT PARTNER
14 OF AN INVESTMENT PARTNERSHIP SHALL SUBTRACT INVESTMENT INCOME DISTRIBUTED BY
15 THE PARTNERSHIP. FOR THE PURPOSES OF THIS SUBSECTION, "INVESTMENT
16 PARTNERSHIP" MEANS A PASS-THROUGH ENTITY THAT, DURING THE TAXABLE YEAR, HOLDS
17 ONLY INVESTMENTS THAT PRODUCE INCOME THAT WOULD NOT BE TAXABLE TO A
18 NONRESIDENT INDIVIDUAL IF HELD OR OWNED INDIVIDUALLY.