

REFERENCE TITLE: income tax repeal; tax simplification

State of Arizona
House of Representatives
Forty-eighth Legislature
First Regular Session
2007

HCR 2019

Introduced by
Representatives Murphy: Groe, Pearce

A CONCURRENT RESOLUTION

ENACTING AND ORDERING THE SUBMISSION TO THE PEOPLE OF A MEASURE RELATING TO
TAXATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved by the House of Representatives of the State of Arizona, the
2 Senate concurring:

3 1. Under the power of the referendum, as vested in the Legislature,
4 the following measure, relating to taxation, is enacted to become valid as a
5 law if approved by the voters and on proclamation of the Governor:

6 AN ACT

7 AMENDING SECTION 42-5008, ARIZONA REVISED STATUTES; REPEALING
8 SECTIONS 42-5009 AND 42-5010, ARIZONA REVISED STATUTES;
9 REPEALING TITLE 42, CHAPTER 5, ARTICLE 2, ARIZONA REVISED
10 STATUTES; REPEALING TITLE 43, CHAPTERS 10 AND 11, ARIZONA
11 REVISED STATUTES; RELATING TO TAXATION.

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

13 Section 1. Section 42-5008, Arizona Revised Statutes, is
14 amended to read:

15 42-5008. Levy of tax; purposes; distribution

16 A. There is levied and there shall be collected by the
17 department, for the purpose of raising public money, privilege
18 taxes measured by the amount or volume of business transacted by
19 persons on account of their business activities, and in the
20 amounts to be determined by the application of rates against
21 values, gross proceeds of sales or gross income, as the case may
22 be, as prescribed by this article ~~and article 2 of this chapter~~.

23 B. THE TAX IS LEVIED AT A RATE OF _____ PER CENT OF THE
24 GROSS PROCEEDS OF SALES OR GROSS INCOME OF EVERY PERSON ENGAGING
25 OR CONTINUING IN BUSINESS IN THIS STATE. TO PREVENT EVASION OF
26 THE TAX AND TO AID IN ITS ADMINISTRATION, IT IS PRESUMED THAT
27 ALL PERSONS ENGAGING OR CONTINUING IN BUSINESS IN THIS STATE ARE
28 SUBJECT TO THE TAX. THE TAX APPLIES TO THE TAX BASE DERIVED
29 FROM ALL TRANSACTIONS, WHETHER FROM SALES OR SERVICES, FROM
30 PRODUCTION, MANUFACTURING, WHOLESALE OR RETAIL OR FROM
31 TRANSACTIONS INVOLVING REAL OR PERSONAL, TANGIBLE OR INTANGIBLE
32 OR CHOATE OR INCHOATE PROPERTY OR RIGHTS TO PROPERTY.

33 C. _____ PER CENT OF THE TAX REVENUES COLLECTED AT THE
34 RATE PRESCRIBED BY SUBSECTION B OF THIS SECTION IS DESIGNATED AS
35 DISTRIBUTION BASE FOR PURPOSES OF SECTION 42-5029.

36 ~~B.~~ D. If any monies remain after the payments are made
37 for state purposes, as provided for by subsection A OF THIS
38 SECTION, the remainder of the monies shall be paid into the
39 state school fund for educational purposes.

40 ~~C.~~ E. The tax levied by and collected pursuant to this
41 article and article 2 of this chapter is designated the
42 "transaction privilege tax".

43 Sec. 2. Repeal

44 A. Sections 42-5009 and 42-5010, Arizona Revised
45 Statutes, are repealed.

1 B. Title 42, chapter 5, article 2, Arizona Revised
2 Statutes, is repealed.

3 C. Title 43, chapters 10 and 11, Arizona Revised
4 Statutes, are repealed.

5 Sec. 3. Conforming legislation

6 The legislative council staff shall prepare proposed
7 legislation conforming the Arizona Revised Statutes to the
8 provisions of this act for consideration in the forty-ninth
9 legislature, first regular session.

10 Sec. 4. Intent

11 The legislature intends to increase transaction privilege
12 tax revenues and adjust the shared allocation of transaction
13 privilege tax revenues to counties, cities and towns solely to
14 offset the loss of income tax revenues. The intent of this act
15 is to achieve revenue neutrality for this state and for the
16 counties, cities and towns that receive state shared transaction
17 privilege tax revenue.

18 2. The Secretary of State shall submit this proposition to the voters
19 at the next general election as provided by article IV, part 1, section 1,
20 Constitution of Arizona.