

REFERENCE TITLE: business personal property taxes; exemption

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

## **HCR 2037**

Introduced by  
Representatives Miranda B, Boone, Brown, Cajero Bedford, Farley, Garcia M,  
Murphy, Pearce, Reagan, Tom: Ableser, Adams, Alvarez, Bradley, Campbell  
CH, Crandall, DeSimone, Driggs, Kavanagh, Konopnicki, Lopez, McClure,  
McComish, McGuire, Nelson, Rios P, Robson, Schapira, Yarbrough

### **A CONCURRENT RESOLUTION**

**PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX,  
SECTION 2, CONSTITUTION OF ARIZONA; RELATING TO PROPERTY TAX EXEMPTIONS.**

(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. Article IX, section 2, Constitution of Arizona, is proposed to be  
4 amended as follows if approved by the voters and on proclamation of the  
5 Governor:

6 2. Property subject to taxation: exemptions

7 Section 2. (1) There shall be exempt from taxation all  
8 federal, state, county and municipal property.

9 (2) Property of educational, charitable and religious  
10 associations or institutions not used or held for profit may be  
11 exempt from taxation by law.

12 (3) Public debts, as evidenced by the bonds of Arizona,  
13 its counties, municipalities or other subdivisions, shall also  
14 be exempt from taxation.

15 (4) All household goods owned by the user thereof and  
16 used solely for noncommercial purposes shall be exempt from  
17 taxation, and such person entitled to such exemption shall not  
18 be required to take any affirmative action to receive the  
19 benefit of such exemption.

20 (5) Stocks of raw or finished materials, unassembled  
21 parts, work in process or finished products constituting the  
22 inventory of a retailer or wholesaler located within the state  
23 and principally engaged in the resale of such materials, parts  
24 or products, whether or not for resale to the ultimate consumer,  
25 shall be exempt from taxation.

26 (6) The legislature may exempt personal property that is  
27 used for agricultural purposes or in a trade or business from  
28 taxation in a manner provided by law, except that the exemption  
29 does not apply to any amount of the full cash value of the  
30 personal property of a taxpayer that exceeds ONE HUNDRED fifty  
31 thousand dollars. The legislature may provide by law to  
32 increase the exempt amount ~~according to annual variations in a~~  
33 ~~designated national inflation index.~~

34 (7) The legislature may exempt the property of cemeteries  
35 that are set apart and used to inter deceased human beings from  
36 taxation in a manner provided by law.

37 (8) There shall be further exempt from taxation the  
38 property of each honorably discharged airman, soldier, sailor,  
39 United States marine, member of revenue marine service, the  
40 coast guard, nurse corps or of any predecessor or of the  
41 component of auxiliary of any thereof, resident of this state,  
42 in the amount of:

43 (a) One thousand five hundred dollars if the total  
44 assessment of such person does not exceed three thousand five  
45 hundred dollars.

1 (b) One thousand dollars if the total assessment of such  
2 person does not exceed four thousand dollars.

3 (c) Five hundred dollars if the total assessment of such  
4 person does not exceed four thousand five hundred dollars.

5 (d) Two hundred fifty dollars if the total assessment of  
6 such person does not exceed five thousand dollars.

7 (e) No exemption if the total assessment of such person  
8 exceeds five thousand dollars.

9 No such exemption shall be made for such person unless  
10 such person shall have served at least sixty days in the  
11 military or naval service of the United States during World War  
12 I or prior wars and shall have been a resident of this state  
13 prior to September 1, 1945.

14 (9) There shall be further exempt from taxation as herein  
15 provided the property of each honorably discharged airman,  
16 soldier, sailor, United States marine, member of revenue marine  
17 service, the coast guard, nurse corps or of any predecessor or  
18 of the component of auxiliary of any thereof, resident of this  
19 state, where such person has a service-connected disability as  
20 determined by the United States veterans administration or its  
21 successor. No such exemption shall be made for such person  
22 unless he shall have been a resident of this state prior to  
23 September 1, 1945 or unless such person shall have been a  
24 resident of this state for at least four years prior to his  
25 original entry into service as an airman, soldier, sailor,  
26 United States marine, member of revenue marine service, the  
27 coast guard, nurse corps or of any predecessor or of the  
28 component of auxiliary of any thereof. The property of such  
29 person having a compensable service-connected disability exempt  
30 from taxation as herein provided shall be determined as follows:

31 (a) If such person's service-connected disability as  
32 determined by the United States veterans administration or its  
33 successor is sixty per cent or less, the property of such person  
34 exempt from taxation shall be determined by such person's  
35 percentage of disability multiplied by the assessment of such  
36 person in the amount of:

37 (i) One thousand five hundred dollars if the total  
38 assessment of such person does not exceed three thousand five  
39 hundred dollars.

40 (ii) One thousand dollars if the total assessment of such  
41 person does not exceed four thousand dollars.

42 (iii) Five hundred dollars if the total assessment of  
43 such person does not exceed four thousand five hundred dollars.

44 (iv) Two hundred fifty dollars if the total assessment of  
45 such person does not exceed five thousand dollars.

1 (v) No exemption if the total assessment of such person  
2 exceeds five thousand dollars.

3 (b) If such person's service-connected disability as  
4 determined by the United States veterans administration or its  
5 successor is more than sixty per cent, the property of such  
6 person exempt from taxation shall be in the amount of:

7 (i) One thousand five hundred dollars if the total  
8 assessment of such person does not exceed three thousand five  
9 hundred dollars.

10 (ii) One thousand dollars if the total assessment of such  
11 person does not exceed four thousand dollars.

12 (iii) Five hundred dollars if the total assessment of  
13 such person does not exceed four thousand five hundred dollars.

14 (iv) Two hundred fifty dollars if the total assessment of  
15 such person does not exceed five thousand dollars.

16 (v) No exemption if the total assessment of such person  
17 exceeds five thousand dollars.

18 (10) There shall be further exempt from taxation the  
19 property of each honorably discharged airman, soldier, sailor,  
20 United States marine, member of revenue marine service, the  
21 coast guard, nurse corps or of any predecessor or of the  
22 component of auxiliary of any thereof, resident of this state,  
23 where such person has a nonservice-connected total and permanent  
24 disability, physical or mental, as so certified by the United  
25 States veterans administration, or its successor, or such other  
26 certification as provided by law, in the amount of:

27 (a) One thousand five hundred dollars if the total  
28 assessment of such person does not exceed three thousand five  
29 hundred dollars.

30 (b) One thousand dollars if the total assessment of such  
31 person does not exceed four thousand dollars.

32 (c) Five hundred dollars if the total assessment of such  
33 person does not exceed four thousand five hundred dollars.

34 (d) Two hundred fifty dollars if the total assessment of  
35 such person does not exceed five thousand dollars.

36 (e) No exemption if the total assessment of such person  
37 exceeds five thousand dollars.

38 No such exemption shall be made for such person unless he  
39 shall have served at least sixty days in the military or naval  
40 service of the United States during time of war after World War  
41 I and shall have been a resident of this state prior to  
42 September 1, 1945.

43 (11) There shall be further exempt from taxation the  
44 property of each widow, resident of this state, in the amount  
45 of:

1 (a) One thousand five hundred dollars if the total  
2 assessment of such widow does not exceed three thousand five  
3 hundred dollars.

4 (b) One thousand dollars if the total assessment of such  
5 widow does not exceed four thousand dollars.

6 (c) Five hundred dollars if the total assessment of such  
7 widow does not exceed four thousand five hundred dollars.

8 (d) Two hundred fifty dollars if the total assessment of  
9 such widow does not exceed five thousand dollars.

10 (e) No exemption if the total assessment of such widow  
11 exceeds five thousand dollars.

12 In order to qualify for this exemption, the income from  
13 all sources of such widow, together with the income from all  
14 sources of all children of such widow residing with the widow in  
15 her residence in the year immediately preceding the year for  
16 which such widow applies for this exemption, shall not exceed:

17 1. Seven thousand dollars if none of the widow's children  
18 under the age of eighteen years resided with her in such widow's  
19 residence; or

20 2. Ten thousand dollars if one or more of the widow's  
21 children residing with her in such widow's residence was under  
22 the age of eighteen years, or was totally and permanently  
23 disabled, physically or mentally, as certified by competent  
24 medical authority as provided by law.

25 Such widow shall have resided with her last spouse in this  
26 state at the time of the spouse's death if she was not a widow  
27 and a resident of this state prior to January 1, 1969.

28 (12) No property shall be exempt which has been conveyed  
29 to evade taxation. The total exemption from taxation granted to  
30 the property owned by a person who qualifies for any exemption  
31 in accordance with the terms of subsections (8), (9), (10) or  
32 (11) shall not exceed one thousand five hundred dollars. The  
33 provisions of this section shall be self-executing.

34 (13) All property in the state not exempt under the laws  
35 of the United States or under this constitution or exempt by law  
36 under the provisions of this section shall be subject to  
37 taxation to be ascertained as provided by law.

38 2. The Secretary of State shall submit this proposition to the voters  
39 at the next general election as provided by article XXI, Constitution of  
40 Arizona.