

REFERENCE TITLE: tax refund check-off boxes

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

HB 2105

Introduced by
Representatives Yarbrough: Murphy

AN ACT

AMENDING SECTIONS 16-954, 43-323, 43-613, 43-614, 43-615, 43-616 AND 43-618,
ARIZONA REVISED STATUTES; RELATING TO INDIVIDUAL INCOME TAX REFUNDS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Subject to the requirements of article IV, part 1, section
3 1, Constitution of Arizona, section 16-954, Arizona Revised Statutes, is
4 amended to read:

5 16-954. Clean elections tax reduction; return of excess monies.

6 A. For tax years beginning on or after January 1, 1998, a taxpayer who
7 files on a state income tax return form may designate a five-dollar voluntary
8 contribution per taxpayer to the fund by marking an optional check-off box on
9 ~~the first page of~~ the form. A taxpayer who checks this box shall receive a
10 five-dollar reduction in the amount of tax, and five dollars from the amount
11 of taxes paid shall be transferred by the department of revenue to the fund.
12 The department of revenue shall provide check-off boxes, identified as the
13 clean elections fund tax reduction, on ~~the first page of~~ income tax return
14 forms, for designations pursuant to this subsection.

15 B. Any taxpayer may make a voluntary donation to the fund by
16 designating the fund on an income tax return form filed by the individual or
17 business entity or by making a payment directly to the fund. Any taxpayer
18 making a donation pursuant to this subsection shall receive a
19 dollar-for-dollar tax credit not to exceed twenty ~~percent~~ PER CENT of the tax
20 amount on the return or five hundred dollars per taxpayer, whichever is
21 higher. Donations made pursuant to this section are otherwise not tax
22 deductible and cannot be designated as for the benefit of a particular
23 candidate, political party, or election contest. The department of revenue
24 shall transfer to the fund all donations made pursuant to this subsection.
25 The department of revenue shall provide a space, identified as the clean
26 elections fund tax credit, on ~~the first page of~~ income tax return forms, for
27 donations pursuant to this subsection.

28 C. Beginning January 1, 1999, an additional surcharge of ten ~~percent~~
29 PER CENT shall be imposed on all civil and criminal fines and penalties
30 collected pursuant to section 12-116.01 and shall be deposited into the fund.

31 D. At least once per year, the commission shall project the amount of
32 monies that the fund will collect over the next four years and the time such
33 monies shall become available. Whenever the commission determines that the
34 fund contains more monies than the commission determines that it requires to
35 meet current debts plus expected expenses, under the assumption that expected
36 expenses will be at the expenditure limit in section 16-949, subsection A,
37 and taking into account the projections of collections, the commission shall
38 designate such monies as excess monies and so notify the state treasurer, who
39 shall thereupon return the excess monies to the general fund.

40 E. At least once per year, the commission shall project the amount of
41 citizen funding for which all candidates will have qualified pursuant to this
42 article for the following calendar year. By the end of each year, the
43 commission shall announce whether the amount that the commission plans to
44 spend the following year pursuant to section 16-949, subsection A exceeds the
45 projected amount of citizen funding. If the commission determines that the

1 fund contains insufficient monies or the spending cap would be exceeded were
2 all candidate's accounts to be fully funded, then the commission may include
3 in the announcement specifications for decreases in the following parameters,
4 based on the commission's projections of collections and expenses for the
5 fund, made in the following order:

6 1. First, the commission may announce a decrease in the matching cap
7 under section 16-952, subsection E from three times to an amount between
8 three and one times.

9 2. Next, the commission may announce that the fund will provide
10 equalization monies under section 16-952, subsections A and B as a fraction
11 of the amounts there specified.

12 3. Finally, the commission may announce that the fund will provide
13 monies under section 16-951 as a fraction of the amounts there specified.

14 F. If the commission cannot provide participating candidates with all
15 monies specified under sections 16-951 and 16-952, as decreased by any
16 announcement pursuant to subsection E of this section, then the commission
17 shall allocate any reductions in payments proportionately among candidates
18 entitled to monies and shall declare an emergency. Upon declaration of an
19 emergency, a participating candidate may accept private contributions to
20 bring the total monies received by the candidate from the fund and from such
21 private contributions up to the adjusted spending limits, as decreased by any
22 announcement made pursuant to subsection E of this section.

23 Sec. 2. Section 43-323, Arizona Revised Statutes, is amended to read:

24 43-323. Place and form of filing returns

25 A. All returns required by this title shall be in such form as the
26 department may from time to time prescribe and shall be filed with the
27 department.

28 B. The department ~~shall~~ MAY prescribe a short form return for
29 individual taxpayers who:

30 1. Are eligible and elect to pay tax based on the optional tax tables
31 pursuant to section 43-1012.

32 2. Elect to claim the optional standard deduction pursuant to section
33 43-1041.

34 3. Elect not to file for credits against income tax liability other
35 than those contained in section 16-954, subsection B and sections 43-1072,
36 43-1072.01 and 43-1073.

37 4. Are not required to add any income under section 43-1021 and do not
38 elect any subtractions under section 43-1022, except for the exemptions
39 allowed under section 43-1023.

40 C. The department may provide a simplified return form for individual
41 taxpayers who:

42 1. Are eligible and elect to pay tax based on the optional tax tables
43 pursuant to section 43-1012.

44 2. Are residents for the full taxable year.

1 3. File as single individuals or married couples filing joint returns
2 under section 43-309.

3 4. Are not sixty-five years of age or older or blind at the end of the
4 taxable year.

5 5. Claim no exemptions under section 43-1023 for the taxable year.

6 6. Elect to claim the optional standard deduction under section
7 43-1041.

8 7. Are not required to add any income under section 43-1021 and do not
9 elect to claim any subtractions under section 43-1022 or file for any credits
10 under chapter 10, article 5 of this title except the credits provided by
11 sections 43-1072.01 and 43-1073.

12 8. Do not elect to contribute a portion of any tax refund as provided
13 by any provision of chapter 6, article 1 of this title. Notwithstanding any
14 provision of chapter 6, article 1 of this title, a simplified return form
15 under this subsection shall not include any space for the taxpayer to so
16 contribute a portion of a refund.

17 D. The department shall prepare blank forms for the returns and shall
18 distribute them throughout the state and furnish them upon application.
19 Failure to receive or secure the form does not relieve any taxpayer from
20 making any return required.

21 Sec. 3. Section 43-613, Arizona Revised Statutes, is amended to read:

22 43-613. Contribution to child abuse prevention fund

23 A. Unless not required pursuant to subsection B of this section, the
24 department shall provide a space on ~~the first page of~~ the individual income
25 tax return form in which the taxpayer may designate an amount of the
26 taxpayer's refund as a voluntary contribution to the child abuse prevention
27 fund established under section 8-550.01.

28 B. After subtracting any setoff for debts pursuant to section 42-1122
29 the department **OF REVENUE** shall subtract the designated amount from the
30 refund due the taxpayer and transfer it to the department of economic
31 security for credit to the fund. ~~The department shall determine the initial
32 administrative cost of this section and report the amount to the department
33 of economic security who shall transfer that amount from the fund to the
34 state general fund.~~ The department of economic security shall separately
35 account for the monies in the fund derived from contributions under this
36 section and notify the department **OF REVENUE** if such monies exceed ten
37 million dollars. If such monies do exceed ten million dollars on June 30,
38 this section does not apply and the department **OF REVENUE** shall not provide
39 the space otherwise required by this section on the tax return for that
40 taxable year.

41 C. The taxpayer may also donate any amount to the child abuse
42 prevention fund, in lieu of or in addition to the designated portion of the
43 income tax refund, by an appropriate indication on the return and by
44 including that amount with the return.

1 ~~of economic security who shall transfer that amount from the fund to the~~
2 ~~state general fund.~~

3 C. The taxpayer may also donate any amount to the fund, in lieu of or
4 in addition to the designated portion of the income tax refund, by an
5 appropriate indication on the return and by including that amount with the
6 return.

7 Sec. 7. Section 43-618, Arizona Revised Statutes, is amended to read:
8 43-618. Contribution to domestic violence shelter fund

9 A. The department shall provide a space on ~~the first page of~~ the
10 individual income tax return form in which the taxpayer may designate an
11 amount of the taxpayer's refund as a voluntary contribution to the domestic
12 violence shelter fund established pursuant to section 36-3002 ~~as amended by~~
13 ~~Laws 1997, chapter 210.~~

14 B. After subtracting any setoff for debts pursuant to section 42-1122,
15 the department **OF REVENUE** shall subtract the designated amount from the
16 refund due the taxpayer and transfer it to the department of economic
17 security for deposit in the fund. ~~The department shall determine the initial~~
18 ~~administrative cost of this section and report the amount to the department~~
19 ~~of economic security who shall transfer that amount to the state general~~
20 ~~fund.~~

21 C. The taxpayer may also donate any amount to the fund, in lieu of or
22 in addition to the designated portion of the tax refund, by an appropriate
23 indication on the return and by including that amount with the return.

24 Sec. 8. Requirements for enactment; three-fourths vote

25 Pursuant to article IV, part 1, section 1, Constitution of Arizona,
26 section 16-954, Arizona Revised Statutes, as amended by this act, is
27 effective only on the affirmative vote of at least three-fourths of the
28 members of each house of the legislature.

29 Sec. 9. Effective date

30 This act is effective and applies with respect to income tax returns
31 for taxable years beginning from and after December 31, 2008.