

REFERENCE TITLE: **personal property tax; accelerated depreciation**

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

HB 2363

Introduced by
Representatives Reagan, Boone, Murphy: Yarbrough

AN ACT

AMENDING SECTION 42-13054, ARIZONA REVISED STATUTES; RELATING TO PERSONAL PROPERTY TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 42-13054, Arizona Revised Statutes, is amended to
3 read:

4 42-13054. Taxable value of personal property: depreciated
5 values of personal property in class one and class
6 two (P)

7 A. The taxable value of personal property that is valued by the county
8 assessor is the result of acquisition cost less any appropriate depreciation
9 as prescribed by tables adopted by the department. The taxable value shall
10 not exceed the market value.

11 B. Except as provided in subsection C of this section and
12 notwithstanding any other statute, the assessor shall adjust the depreciation
13 schedules prescribed by the department as follows to determine the valuation
14 of **PERSONAL PROPERTY**:

15 1. **FOR** personal property that is initially classified during or after
16 tax year 1994 **THROUGH TAX YEAR 2006** as class one, paragraph 8, 9, 10 or 13
17 pursuant to section 42-12001 and personal property that is initially
18 classified during or after tax year 1995 **THROUGH TAX YEAR 2006** as class two
19 (P) pursuant to section 42-12002:

20 ~~1-~~ (a) For the first tax year of assessment, the assessor shall use
21 thirty-five per cent of the scheduled depreciated value.

22 ~~2-~~ (b) For the second tax year of assessment, the assessor shall use
23 fifty-one per cent of the scheduled depreciated value.

24 ~~3-~~ (c) For the third tax year of assessment, the assessor shall use
25 sixty-seven per cent of the scheduled depreciated value.

26 ~~4-~~ (d) For the fourth tax year of assessment, the assessor shall use
27 eighty-three per cent of the scheduled depreciated value.

28 ~~5-~~ (e) For the fifth and subsequent tax years of assessment, the
29 assessor shall use the scheduled depreciated value as prescribed in the
30 department's guidelines.

31 2. **FOR PERSONAL PROPERTY THAT IS INITIALLY CLASSIFIED DURING OR AFTER**
32 **TAX YEAR 2007 AS CLASS ONE, PARAGRAPH 8, 9, 10 OR 13 PURSUANT TO SECTION**
33 **42-12001 AND AS CLASS TWO (P) PURSUANT TO SECTION 42-12002:**

34 (a) **FOR THE FIRST TAX YEAR OF ASSESSMENT, THE ASSESSOR SHALL USE**
35 **THIRTY PER CENT OF THE SCHEDULED DEPRECIATED VALUE.**

36 (b) **FOR THE SECOND TAX YEAR OF ASSESSMENT, THE ASSESSOR SHALL USE**
37 **FORTY-SIX PER CENT OF THE SCHEDULED DEPRECIATED VALUE.**

38 (c) **FOR THE THIRD TAX YEAR OF ASSESSMENT, THE ASSESSOR SHALL USE**
39 **SIXTY-TWO PER CENT OF THE SCHEDULED DEPRECIATED VALUE.**

40 (d) **FOR THE FOURTH TAX YEAR OF ASSESSMENT, THE ASSESSOR SHALL USE**
41 **SEVENTY-EIGHT PER CENT OF THE SCHEDULED DEPRECIATED VALUE.**

42 (e) **FOR THE FIFTH TAX YEAR OF ASSESSMENT, THE ASSESSOR SHALL USE**
43 **NINETY-FOUR PER CENT OF THE SCHEDULED DEPRECIATED VALUE.**

1 (f) FOR THE SIXTH AND SUBSEQUENT TAX YEARS OF ASSESSMENT, THE ASSESSOR
2 SHALL USE THE SCHEDULED DEPRECIATED VALUE AS PRESCRIBED IN THE DEPARTMENT'S
3 GUIDELINES.

4 C. The additional depreciation prescribed in subsection B of this
5 section:

6 1. Does not apply to any property valued by the department.

7 2. Shall not reduce the valuation below the minimum value prescribed
8 by the department for property in use.