

REFERENCE TITLE: county prime contracting sales tax

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

## **HB 2368**

Introduced by  
Representative Rios P

AN ACT

AMENDING TITLE 42, CHAPTER 6, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-6112; RELATING TO COUNTY EXCISE TAXES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Title 42, chapter 6, article 3, Arizona Revised Statutes,  
3 is amended by adding section 42-6112, to read:  
4 42-6112. Tax on prime contracting; transportation projects  
5 A. THE BOARD OF SUPERVISORS OF A COUNTY HAVING A POPULATION OF LESS  
6 THAN ONE MILLION FIVE HUNDRED THOUSAND PERSONS MAY LEVY AND, IF LEVIED, THE  
7 DEPARTMENT SHALL COLLECT A TAX ON THE GROSS PROCEEDS OF SALES OR GROSS INCOME  
8 FROM THE BUSINESS OF EVERY PERSON ENGAGING OR CONTINUING IN THE COUNTY IN A  
9 BUSINESS TAXED UNDER CHAPTER 5 OF THIS TITLE AND CLASSIFIED UNDER THE PRIME  
10 CONTRACTING CLASSIFICATION PURSUANT TO SECTION 42-5075. THE TAX SHALL BE  
11 LEVIED UNDER THIS SECTION BEGINNING JANUARY 1 OR JULY 1, WHICHEVER DATE FIRST  
12 OCCURS AT LEAST THREE MONTHS AFTER THE COUNTY RESOLUTION APPROVING THE TAX  
13 LEVY.  
14 B. THE TAX BASE IS THE SAME TAX BASE AS THE PRIME CONTRACTING  
15 CLASSIFICATION UNDER SECTION 42-5075 EXCEPT THAT THE TAX APPLIES ONLY WITH  
16 RESPECT TO GROSS PROCEEDS OF SALES OR GROSS INCOME DERIVED FROM PROJECTS  
17 LOCATED IN THE UNINCORPORATED AREAS OF THE COUNTY. THE GROSS PROCEEDS OF  
18 SALES OR GROSS INCOME DERIVED FROM PROJECTS LOCATED IN INCORPORATED CITIES  
19 AND TOWNS SHALL BE SUBTRACTED FROM THE TAX BASE.  
20 C. THE RATE OF THE TAX SHALL NOT EXCEED \_\_\_ PER CENT OF THE TRANSACTION  
21 PRIVILEGE TAX RATE PRESCRIBED BY SECTION 42-5010, SUBSECTION A, PARAGRAPH 1.  
22 D. THE TAX IS IN ADDITION TO ANY TAX IMPOSED BY CHAPTER 5 OF THIS  
23 TITLE.  
24 E. THE TAX DOES NOT APPLY WITH RESPECT TO PRIME CONTRACTS ENTERED INTO  
25 OR WRITTEN BIDS DATED BEFORE THE DATE THE BOARD OF SUPERVISORS ADOPTS THE  
26 RESOLUTION TO LEVY THE TAX. THE PRIME CONTRACTOR MUST MAINTAIN SUFFICIENT  
27 DOCUMENTATION TO VERIFY THE DATE OF THE CONTRACT OR THE WRITTEN BID.  
28 F. AT THE END OF EACH MONTH THE STATE TREASURER SHALL TRANSMIT THE NET  
29 REVENUES COLLECTED PURSUANT TO THIS SECTION TO THE TREASURER OF THE COUNTY  
30 LEVYING THE TAX. THE COUNTY SHALL USE THESE REVENUES SOLELY FOR  
31 TRANSPORTATION PROJECTS IN THE COUNTY.