

Priority Bills for the 2018 Legislative Session

BILLS THAT ARE CLEANING UP ARIZONA'S TAX LOOPHOLES AND CREDITS

74% of Arizona corporations are able to reduce their tax liability to pay the current \$50 minimum tax or less. This legislation will ensure that all corporations pay at least \$500 in income tax no matter how many tax breaks they claim.

- HB 1415 | Sponsor: Mendez 1327

This legislation takes the first steps in eliminating sales tax exemptions on certain goods and services for which it does not make sense to exempt from sales tax, such as the sales of fine art that is shipped out-of-state, private jets, service contracts and warranties, horse vitamins, and 4 inch diameter pipes.

- SB 1327 | Sponsor: Farley

Stops the annual automatic 20% growth of corporate private school tuition tax credits and stops subsidizing private school tuition for families who can already afford it by limiting private school tuition tax credit scholarships to low income families.

- HB 2179 | Sponsor: Coleman
- HB 2183 | Sponsor: Coleman
- HB 2295 | Sponsor: Friese
- SB 1020 | Sponsor: Farley
- SB 1325 | Sponsor: Miranda

Places a 5-year sunset date on all tax credits; and requires legislation be introduced to take action on any tax credits recommended for repeal by the Joint Legislative Income Tax Credit Review Committee.

- HB 2015 | Sponsor: Cardenas
- SB 1019 | Sponsor: Farley
- SB 1030 | Sponsor: Farley
- SB 1328 | Sponsor: Farley

Appropriates funding to the Arizona Department of Revenue to hire additional auditors and collectors to collect taxes that are owed to the state.

- HB 2137 | Sponsor: Espinoza
- SB 1324 | Sponsor: Farley

Establishes one formula for determining how corporate income is taxed rather than allowing corporations to choose the formula which results in paying the least amount.

- SB 1479 | Sponsor: Mendez

BAD FOR THE STATE

At a time when parents and business CEOs are urgently calling for increased investments in public schools, and almost every state agency is working with less funding than they had a decade ago, more permanent tax cuts and credits will make it harder to invest in the priorities that benefit all Arizonans.

Therefore, even when some TPT exemptions have a worthy objective, additional tax exemptions take money away from the general fund and reduce resources available for further investments for all Arizonans.

- HB 2003 Coal Mining; TPT; repeal | sponsor: Finchem
(Retained on the House COW 2/22)
- HB 2087 Family Caregiver Income Tax Credit | sponsor: Carter
(Passed House with amendment, 45-14; Ready for the Senate)
- HB 2090 Tax Credit Review; Evaluation Standard | sponsor: John
(Scheduled for Senate Finance 2/28)
- HB 2236 Military pensions; increase; tax subtraction | sponsor: Livingston
(Failed Appropriations Committee, 4-9)
- HB 2377 Teachers' School Supplies; tax credit | sponsor: Clodfelter
(Failed House 23-31, Clodfelter passed Motion to reconsider bill within 14 days)
- HB 2459 Income Tax; Child Tax Credit | sponsor: Mosley
(Passed House COW with amendment 2/22)
- HB 2479 TPT; Digital Goods & Services
(Retained on House COW 2/22)
- HB 2528 Capital Gains; Income Tax Subtraction | sponsor: Mesnard
(Passed House 35-25, Ready for Senate)
- HB 2568 Affordable Housing Tax Credit | sponsor: Rivero
(Retained on the House COW 2/22)
- HB 2590 Rural growth investments; tax credits | sponsor: Cook
(Passed Land, Agriculture & Rural Affairs 5-3)
- SB 1049 Sales tax Exemption: Hearing Aid Batteries | sponsor: Farnsworth
(Passed Finance Committee, 4-2)
- SB 1167 Military retiree tax cut | sponsor: Griffin
(Passed Senate with amendment, 18-11)
- SB 1220 Family Caregiver Income Tax Credit | sponsor: Brophy McGee
- SB 1257 State Lottery distributions; Family homelessness | sponsor: Allen
(Discussion only in Appropriations Committee 2/20)
- SB 1392 TPT; Digital Goods & Services
(Passed Finance Committee 5-2; passed Rules Committee; heard in Caucus)
- SB 1467 STOs; Corporations; Caps; Scholarship Eligibility
(Passed Finance Committee, 4-3; heard in Caucus)

Another Arizona version of the so-called “Taxpayers Bill of Rights” (TABOR). The legislation calls for the calculation of a “Truth in spending” estimate that restricts spending based on inflation and total population growth. The highly flawed and arbitrary population-plus-inflation formula fails to keep pace with normal growth in the cost of maintain services and leads to annual cuts to services for children, families and businesses that support Arizona’s economic prosperity.

- HB 2099 state budget; estimates; notice | sponsor: Leach
(Passed House with amendment, 34-25; Ready for the Senate)
- SB 1051 state budget; estimates; notice | sponsor: Kavanagh
(Passed Appropriations Committee 6-3; Passed Rules Committee; held in caucus)