



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

Senate: FIN DP 9-1-0-0 | 3rd Read 28-0-2-0

House: APPROP DPA/SE 13-0-0-0 | 3rd Read 60-0-0-0

SB 1752: community facilities districts.

S/E conformity; internal revenue code

Sponsor: Senator Leach, LD 11

House Engrossed

Summary of the Strike-Everything Amendment to SB 1752

Overview

Conforms Arizona's income tax calculation for taxable years beginning January 1, 2021 to the changes made to the Internal Revenue Code (IRC), as amended and in effect on March 11, 2021 with the specific adoption of all retroactive effective dates but excluding all changes to the IRC enacted after March 11, 2021.

History

Current law conforms Arizona's income tax calculation to the IRC of 1986, as amended, in effect on January 1, 2020, including those provisions that became effective during 2019 with the specific adoption of all retroactive effective dates. ([A.R.S. § 43-105](#))

Generally, each year changes are made to the IRC that affect the Arizona income tax calculation. Tax conformity with the IRC is deemed necessary because the calculation of Arizona corporate income tax begins with federal taxable income. Additionally, federal adjusted gross income is the starting point for individual income tax.

Provisions

1. Modifies the definition of "*internal revenue code*" to mean the IRC of 1986, as amended and in effect as of March 11, 2021, including those provisions that became effective during 2020 with the specific adoption of their retroactive effective dates but excluding all changes to the IRC enacted after March 11, 2021. (Sec. 1)
2. Conforms Arizona's income tax calculation for taxable year 2021 to the IRC of 1986, as amended, in effect on March 11, 2021 including those provisions that became effective during 2020 with the specific adoption of all retroactive dates, but excluding any changes made to the IRC enacted after March 11, 2021. (Sec. 2)
3. Conforms Arizona's income tax calculation for taxable year 2020 to the IRC of 1986, as amended, in effect on January 1, 2020 to further include those provisions of the Families First Coronavirus Response Act (P.L. 116-127), the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136), the Paycheck Protection Program Flexibility Act of 2020 (P.L. 116-142), the Consolidated Appropriations Act, 2021 (P.L. 116-260) and the American Rescue Plan Act of 2021 (P.L. 117-2) that are retroactively effective for taxable year 2020. (Sec. 2)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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4. Conforms Arizona's income tax calculation for taxable year 2019 to the IRC of 1986, as amended, in effect on January 1, 2019 to further include the CARES Act (P.L. 116-136) and the Consolidated Appropriations Act, 2021 (P.L. 116-260) that are retroactively effective for taxable year 2019. (Sec. 2)
5. Conforms Arizona's income tax calculation for taxable year 2018 to the IRC of 1986, as amended, in effect on January 1, 2018 to further include the CARES Act (P.L. 116-136) and the Consolidated Appropriations Act, 2021 (P.L. 116-260) that are retroactively effective for taxable year 2019. (Sec. 2)
6. Conforms Arizona's income tax calculation for TY 2017 to the IRC of 1986, as amended, in effect on January 1, 2017 to further include the provisions of the CARES Act (P.L. 116-136) that are retroactively effective for TY 2017. (Sec. 3)
7. Conforms Arizona's income tax calculation for TY 2016 to the IRC of 1986, as amended, in effect on January 1, 2016 to further include the provisions of the CARES Act (P.L. 116-136) that are retroactively effective for TY 2016. (Sec. 3)
8. Conforms Arizona's income tax calculation for TY 2015 to the IRC of 1986, as amended, in effect on January 1, 2015 to further include the provisions of the CARES Act (P.L. 116-136) that are retroactively effective for TY 2015. (Sec. 3)
9. Conforms Arizona's income tax calculation for TY 2014 to the IRC of 1986, as amended, in effect on January 1, 2014 to further include the provisions of CARES Act (P.L. 116-136) that are retroactively effective for taxable year 2014. (Sec. 3)
10. Conforms Arizona's income tax calculation for TY 2013 to the IRC of 1986, as amended, in effect on January 1, 2013 to further include the provisions of the CARES Act (P.L. 116-136) that are retroactively effective for TY 2013. (Sec. 3)
11. Removes the conformity language for taxable year 2010. (Sec. 2)