

2014 Legislative Overview

League of Arizona Cities and Towns



Session at a Glance

- Adjourned *sine die* on April 24th (101st day)
- General Effective Date: July 24
- 1,314 bills introduced
- 308 bills sent to the Governor
- 283 bills signed
- 25 vetoes
- Special Session on CPS
- What Didn't Pass

Transparency

- Transparency Requirements
 - Numerous website and physical posting requirements
 - ADOA financial reporting website
 - ADOA local government web portal

Local Government Portal

- HB2654
- Information on governing boards, management, elections, taxes and fees, links to official websites
- The total taxes per capita of the local government for the population within its jurisdiction along with a statewide average of all similar local governments.
- The total value of all outstanding debt obligations.

Income Tax Bills

- Income Tax Task Force
 - Uniformity with federal code
 - “Flat Tax”
 - Accounting and auditing issues
 - Arizona’s Income Tax brackets and revenue as compared to the rest of the country

Income Tax Brackets

- HB2377
- Disagreement on reducing number of brackets
- Disagreement on rates
- Increase the income dollar amount of each income tax bracket to compensate for the annual change in the CPI
- All of the federal code uniformity changes and other issues contained in HB2664
- HB2664 Vetoed

Sales Tax Bills

- Sales Tax Reform of 2013
 - No more self-collecting cities
 - Online portal for everyone
 - DOR oversees all audits, some local authority retained
 - Service contractors move to retail TPT
 - Clean-up needed
 - Other exemptions

Sales Tax Reform Clean-Up

- HB2389
- Licensing changes
- Contracting tax exemption certificates
- Auditing clarifications
- Confidentiality requirement clarifications
- Electronic filing changes

Utility Tax Exemption for Manufacturing & Smelting

- SB1413
- Components of manufacturing history/
Economic Development
- Should cities be included...some hurt more than others
- Provisions
 - Exemption from state TPT and Use Tax
 - Option given to Cities and Towns

Health Sciences Institution Exemption

- HB2701
- Nonprofit under section 501(C) of the United States internal revenue code and that solely provides graduate and postgraduate education in the health sciences
- Very few of them

Postmarks; Filing By Mail

- HB2283
- Provides that all tax mailings are considered filed as of the date of receipt or the mailing date, as supported by evidence.
- Stipulates that tax mailings without an official United States Post Office postmark are timely if received within five days of the due date.

Reduced Reporting Requirements

- HB2288
- Simply changes the threshold amounts that determine whether a taxpayer must remit TPT monthly, quarterly or annually.

Property Taxes and Like Fees

- HB2378
- Prohibits cities and towns from adopting fees that are based on size of parcel size or size of personal property improvements.
- Paradise Valley

HB 2111 Implementation Update

Questions?

1820 W. Washington Street

Phoenix, AZ 85007

www.azleague.org

602-258-5786

