

REFERENCE TITLE: Property Tax, Rent Credit

State of Arizona  
Senate  
Thirty-first Legislature  
First Regular Session

S. B. 1090

Introduced by Douglas Holsclaw

AN ACT

RELATING TO TAXATION; GRANTING INCOME TAX CREDIT OR REIMBURSEMENT FOR PROPERTY TAX OR RENT TO CERTAIN PERSONS; PROVIDING FOR ADMINISTRATION; AMENDING TITLE 43, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 43-128.01, AND MAKING AN APPROPRIATION.

Be it enacted by the Legislature of the State of Arizona:

Section 1. Purpose

The purpose of this act is to provide relief, through a system of income tax credits and refunds and appropriations from the state general fund, to certain persons who own or rent their homestead.

Sec. 2. Title 43, chapter 1, article 1, Arizona Revised Statutes, is amended by adding section 43-128.01, to read:

43-128.01. Credit allowed taxpayers--credit for property taxes paid

(a) Credit, residents sixty-five years of age or older. SUBJECT

TO THE FOLLOWING CONDITIONS, A RESIDENT SHALL BE ALLOWED A CREDIT AGAINST THE TAXES IMPOSED BY THIS TITLE FOR PROPERTY TAXES ACCRUED OR RENT CONSTITUTING PROPERTY TAXES ACCRUED, OR BOTH IN THE PRECEDING CALENDAR YEAR, IF:

- (1) SUCH PERSON IS SIXTY-FIVE YEARS OF AGE OR OLDER, AND
- (2) SUCH PERSON IS SINGLE OR MARRIED BUT LIVING ALONE, HAD AN INCOME FROM ALL SOURCES IN THE YEAR IMMEDIATELY PRECEDING THE YEAR FOR WHICH SUCH PERSON APPLIES FOR SUCH CREDIT OF LESS THAN THREE THOUSAND

*Billy Bell*  
*Stan Sulley*  
*Boyd Tenney*  
*Ray Kott*  
*Frank Felix*  
*Stan Sulley*  
*Bob Stroder*

*Tom West*  
*John Wittman*  
*Frank Kelly*

*John K. Adams*  
*Richard Tachess*  
*Michael Foster*  
*Bell McGee*  
*Janis Jackson*

*Charles S. Bell*  
*John H. Adams*  
*John H. Adams*  
*John H. Adams*

1 FIVE HUNDRED DOLLARS AND THE ASSESSED VALUATION OF THE PROPERTY IF OWNED  
2 IN WHOLE OR IN PART BY SUCH PERSON IS LESS THAN FIVE THOUSAND DOLLARS,  
3 OR

4 (3) SUCH PERSON IS SINGLE BUT LIVING WITH ONE OR MORE LEGAL DE-  
5 PENDENTS, OR SUCH PERSONS ARE MARRIED AND LIVING TOGETHER OR WITH ONE  
6 OR MORE LEGAL DEPENDENTS, COMBINED INCOME FROM ALL SOURCES IN THE YEAR  
7 IMMEDIATELY PRECEDING THE YEAR IN WHICH SUCH PERSON OR PERSONS APPLY FOR  
8 SUCH CREDIT, OF ALL PERSONS RESIDING IN THE RESIDENCE WAS LESS THAN FIVE  
9 THOUSAND DOLLARS AND THE ASSESSED VALUATION OF THE PROPERTY IF OWNED IN  
10 WHOLE OR IN PART BY SUCH PERSON IS LESS THAN FIVE THOUSAND DOLLARS.  
11 IF THE ALLOWABLE AMOUNT OF SUCH CLAIM EXCEEDS THE INCOME TAXES OTHERWISE  
12 DUE ON THE CLAIMANT'S INCOME, OR IF THERE ARE NO STATE INCOME TAXES DUE  
13 ON THE CLAIMANT'S INCOME, THE AMOUNT OF THE CLAIM NOT USED AS AN OFFSET  
14 AGAINST INCOME TAXES, AFTER AUDIT BY THE COMMISSION, SHALL BE PAID TO  
15 THE CLAIMANT FROM FUNDS APPROPRIATED TO THE COMMISSION FROM THE STATE  
16 GENERAL FUND. NO INTEREST SHALL BE ALLOWED ON ANY PAYMENT MADE TO A  
17 CLAIMANT PURSUANT TO THIS SECTION.

18 (b) Satisfaction of outstanding tax liabilities. THE AMOUNT OF  
19 ANY CLAIM OTHERWISE PAYABLE FOR RELIEF FOR PROPERTY TAXES ACCRUED OR  
20 RENT PAID MAY BE APPLIED BY THE COMMISSION AGAINST ANY LIABILITY OUT-  
21 STANDING ON THE BOOKS OF THE COMMISSION AGAINST THE CLAIMANT, OR AGAINST  
22 HIS OR HER SPOUSE WHO WAS A MEMBER OF THE CLAIMANT'S HOUSEHOLD IN THE  
23 YEAR TO WHICH THE CLAIM RELATES.

24 (c) Public welfare recipients excluded. NO CLAIM FOR RELIEF FOR  
25 PROPERTY TAXES ACCRUED OR RENT PAID SHALL BE ALLOWED TO ANY PERSON WHO  
26 IS A RECIPIENT OF PUBLIC FUNDS FOR THE PAYMENT OF PROPERTY TAXES OR RENT  
27 DURING THE PERIOD FOR WHICH THE CLAIM IS FILED.

28 (d) Administration. THE COMMISSION SHALL MAKE AVAILABLE SUITABLE  
29 FORMS WITH INSTRUCTIONS FOR CLAIMANTS, INCLUDING A FORM WHICH MAY BE IN-  
30 CLUDED WITH OR AS A PART OF THE INDIVIDUAL INCOME TAX BLANK. THE CLAIM  
31 SHALL BE IN SUCH FORM AS THE COMMISSION MAY PRESCRIBE.

32 (e) Filing date; extension of time. NO CLAIM WITH RESPECT TO  
33 PROPERTY TAXES ACCRUED OR WITH RESPECT TO RENT CONSTITUTING PROPERTY

1 TAXES ACCRUED DURING THE CALENDAR YEAR 1973 SHALL BE ALLOWED OR PAID  
2 UNLESS THE CLAIM IS ACTUALLY FILED WITH AND IN POSSESSION OF THE COMMISS-  
3 SION ON OR BEFORE JUNE 30, 1974. THEREAFTER SUCH CLAIMS SHALL BE FILED  
4 ON OR BEFORE APRIL 15 FOR THE NEXT PRECEDING CALENDAR YEAR. THE COMMISS-  
5 SION MAY, UPON REQUEST, GRANT FOR A PERIOD NOT TO EXCEED SIX MONTHS AN  
6 EXTENSION OF TIME FOR FILING THE CLAIM.

7 (f) Limitation on number of claimants. ONLY ONE CLAIMANT PER  
8 HOUSEHOLD PER YEAR SHALL BE ENTITLED TO RELIEF PURSUANT TO THIS SECTION.

9 (g) Definitions. IN THIS SECTION UNLESS THE CONTEXT OTHERWISE  
10 REQUIRES:

11 (1) "CLAIMANT" MEANS A PERSON WHO HAS FILED A CLAIM FOR CREDIT  
12 UNDER THIS SECTION AND WAS A RESIDENT OF THIS STATE DURING THE ENTIRE  
13 CALENDAR YEAR PRECEDING THE YEAR IN WHICH HE FILES CLAIM FOR SUCH RELIEF.  
14 IN THE CASE OF A CLAIM FOR RENT CONSTITUTING PROPERTY TAXES ACCRUED, THE  
15 CLAIMANT SHALL HAVE RENTED PROPERTY DURING THE ENTIRE PRECEDING CALENDAR  
16 YEAR FOR WHICH HE FILES FOR SUCH RELIEF, AND SHALL HAVE OCCUPIED THE  
17 SAME RESIDENCE QUARTERS FOR AT LEAST SIX MONTHS OF THE PRECEDING CALEN-  
18 DAR YEAR. WHEN TWO INDIVIDUALS OF A HOUSEHOLD ARE ABLE TO MEET THE  
19 QUALIFICATIONS FOR A CLAIMANT, THEY MAY DETERMINE BETWEEN THEM AS TO WHO  
20 THE CLAIMANT SHALL BE. IF THEY ARE UNABLE TO AGREE, THE MATTER SHALL BE  
21 REFERRED TO THE STATE TAX COMMISSION AND ITS DECISION SHALL BE FINAL.  
22 IF A HOMESTEAD IS OCCUPIED BY TWO OR MORE INDIVIDUALS AND MORE THAN ONE  
23 INDIVIDUAL IS ABLE TO QUALIFY AS A CLAIMANT, AND SOME OR ALL OF THE  
24 QUALIFIED INDIVIDUALS ARE NOT RELATED, THE INDIVIDUALS MAY DETERMINE  
25 AMONG THEM AS TO WHO THE CLAIMANT SHALL BE. IF THEY ARE UNABLE TO  
26 AGREE, THE MATTER SHALL BE REFERRED TO THE COMMISSION, AND ITS DECISION  
27 SHALL BE FINAL.

28 (2) "COMMISSION" MEANS THE STATE TAX COMMISSION.

29 (3) "GROSS RENT" MEANS RENTAL PAID SOLELY FOR THE RIGHT OF OCCU-  
30 PANCY OF A HOMESTEAD OR SPACE RENTAL PAID TO A LANDLORD FOR THE PARKING  
31 OF A MOBILE HOME, EXCLUSIVE OF CHARGES FOR ANY UTILITIES, SERVICES,  
32 FURNITURE, FURNISHINGS OR PERSONAL PROPERTY APPLIANCES FURNISHED BY THE  
33 LANDLORD AS A PART OF THE RENTAL AGREEMENT, WHETHER OR NOT EXPRESSLY SET

1 OUT IN THE RENTAL AGREEMENT. IF THE COMMISSION IS SATISFIED THAT THE  
2 GROSS RENT CHARGE WAS EXCESSIVE, IT MAY ADJUST THE GROSS RENT TO A REA-  
3 SONABLE AMOUNT FOR PURPOSES OF THE CLAIM.

4 (4) "HOMESTEAD" MEANS THE DWELLING, WHETHER OWNED OR RENTED BY  
5 THE CLAIMANT, AND SO MUCH OF THE LAND SURROUNDING IT, NOT EXCEEDING ONE  
6 ACRE, AS IS REASONABLY NECESSARY FOR USE OF THE DWELLING AS A HOME, AND  
7 MAY CONSIST OF A PART OF A MULTI-DWELLING OR MULTI-PURPOSE BUILDING AND  
8 A PART OF THE LAND UPON WHICH IT IS BUILT. "HOMESTEAD" MAY ALSO INCLUDE  
9 A MOBILE HOME AND THE LAND UPON WHICH IT IS LOCATED.

10 (5) "HOUSEHOLD" MEANS THE HOUSEHOLD OF THE CLAIMANT AND SUCH  
11 OTHER PERSONS AS RESIDED WITH THE CLAIMANT IN HIS HOMESTEAD AT ANY TIME  
12 DURING THE CALENDAR YEAR FOR WHICH A CLAIM IS FILED.

13 (6) "HOUSEHOLD INCOME" MEANS ALL INCOME RECEIVED BY ALL PERSONS  
14 OF A HOUSEHOLD IN A CALENDAR YEAR WHILE MEMBERS OF THE HOUSEHOLD.

15 (7) "INCOME" MEANS THE SUM OF ADJUSTED GROSS INCOME AS DEFINED  
16 BY THE COMMISSION, THE AMOUNT OF CAPITAL GAINS EXCLUDED FROM ADJUSTED  
17 GROSS INCOME, ALIMONY, SUPPORT MONEY, NONTAXABLE STRIKE BENEFITS, CASH  
18 PUBLIC ASSISTANCE AND RELIEF, NOT INCLUDING RELIEF GRANTED UNDER THIS  
19 SECTION, THE GROSS AMOUNT OF ANY PENSION OR ANNUITY, INCLUDING RAILROAD  
20 RETIREMENT BENEFITS, ALL PAYMENTS RECEIVED UNDER THE FEDERAL SOCIAL  
21 SECURITY ACT, STATE UNEMPLOYMENT INSURANCE LAWS, AND VETERANS DISABILITY  
22 PENSIONS, NONTAXABLE INTEREST RECEIVED FROM THE FEDERAL GOVERNMENT OR  
23 ANY OF ITS INSTRUMENTALITIES, WORKMEN'S COMPENSATION, AND THE GROSS  
24 AMOUNT OF "LOSS OF TIME" INSURANCE. IT DOES NOT INCLUDE GIFTS FROM NON-  
25 GOVERNMENTAL SOURCES, OR SURPLUS FOODS OR OTHER RELIEF IN KIND SUPPLIED  
26 BY A GOVERNMENTAL AGENCY.

27 (8) "PROPERTY TAXES ACCRUED" MEANS PROPERTY TAXES, EXCLUSIVE OF  
28 SPECIAL ASSESSMENTS, DELINQUENT INTEREST AND CHARGES FOR SERVICE, LEVIED  
29 ON THE FIRST TWO THOUSAND DOLLARS OF ASSESSED VALUATION OF A CLAIMANT'S  
30 HOMESTEAD IN THIS STATE IN 1972 OR ANY CALENDAR YEAR THEREAFTER. IF A  
31 HOMESTEAD IS OWNED BY TWO OR MORE PERSONS OR ENTITIES AS JOINT TENANTS  
32 OR TENANTS IN COMMON, AND ONE OR MORE PERSONS OR ENTITIES ARE NOT A  
33 MEMBER OF CLAIMANT'S HOUSEHOLD, "PROPERTY TAXES ACCRUED" IS THAT PART OF

1 PROPERTY TAXES LEVIED ON THE HOMESTEAD WHICH REFLECTS THE OWNERSHIP PER-  
2 CENTAGE OF THE CLAIMANT AND HIS HOUSEHOLD. FOR PURPOSES OF THIS PARA-  
3 GRAPH PROPERTY TAXES ARE "LEVIED" WHEN THE TAX ROLL IS DELIVERED TO THE  
4 COUNTY TREASURER FOR COLLECTION. IF A CLAIMANT AND HIS HOUSEHOLD OWN  
5 THEIR HOMESTEAD PART OF THE PRECEDING CALENDAR YEAR AND RENT IT OR A  
6 DIFFERENT HOMESTEAD FOR PART OF THE SAME YEAR, "PROPERTY TAXES ACCRUED"  
7 MEANS ONLY TAXES LEVIED ON THE HOMESTEAD WHEN BOTH OWNED AND OCCUPIED  
8 BY THE CLAIMANT AT THE TIME OF THE LEVY, MULTIPLIED BY THE PERCENTAGE OF  
9 TWELVE MONTHS THAT SUCH PROPERTY WAS OWNED AND OCCUPIED BY THE HOUSEHOLD  
10 AS ITS HOMESTEAD DURING THE PRECEDING YEAR. WHEN A HOUSEHOLD OWNS AND  
11 OCCUPIES TWO OR MORE DIFFERENT HOMESTEADS IN THIS STATE IN THE SAME  
12 CALENDAR YEAR, PROPERTY TAXES ACCRUED SHALL RELATE ONLY TO THAT PROPERTY  
13 OCCUPIED BY THE HOUSEHOLD AS A HOMESTEAD ON THE LEVY DATE. IF A HOME-  
14 STEAD IS AN INTEGRAL PART OF A LARGER UNIT SUCH AS A FARM, OR A MULTI-  
15 PURPOSE OR MULTI-DWELLING BUILDING, PROPERTY TAXES ACCRUED SHALL BE THAT  
16 PERCENTAGE OF THE TOTAL PROPERTY TAXES ACCRUED AS THE VALUE OF THE HOME-  
17 STEAD IS OF THE TOTAL VALUE. FOR PURPOSES OF THIS PARAGRAPH "UNIT"  
18 REFERS TO THE PARCEL OF PROPERTY COVERED BY A SINGLE TAX STATEMENT OF  
19 WHICH THE HOMESTEAD IS A PART.

20 (9) "RENT CONSTITUTING PROPERTY TAXES ACCRUED" MEANS TWENTY-FIVE  
21 PER CENT OF THE GROSS RENT, NOT TO EXCEED TWO HUNDRED TWENTY-FIVE DOL-  
22 LARS, ACTUALLY PAID IN CASH OR ITS EQUIVALENT IN ANY CALENDAR YEAR BY A  
23 CLAIMANT AND HIS HOUSEHOLD SOLELY FOR THE RIGHT OF OCCUPANCY OF THEIR  
24 ARIZONA HOMESTEAD IN THE CALENDAR YEAR AND WHICH RENT CONSTITUTES THE  
25 BASIS, IN THE SUCCEEDING CALENDAR YEAR, OF A CLAIM FOR RELIEF.

26 Sec. 3. Appropriation; purpose; exemption

27 A. The sum of \_\_\_\_\_ dollars is appropriated to the  
28 state tax commission for the purpose of administering this act, including  
29 the payment of claims submitted pursuant to this act.

30 B. The sum appropriated in subsection A of this section is exempt  
31 from the provisions of section 35-190, Arizona Revised Statutes, relating  
32 to lapsing appropriations, except that any of such sum remaining unex-  
33 pended and unencumbered at the close of June 30, 1976 shall revert to

1 the state general fund.

2       **Sec. 4. Effective date**

3       The provisions of this act shall become effective beginning with  
4 those property taxes accrued or rent constituting property taxes accrued  
5 during the calendar year 1973.