Senate Engrossed House Bill

FILED
KEN BENNETT
SECRETARY OF STATE

State of Arizona
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CHAPTER 326

HOUSE BILL 2627

AN ACT

AMENDING SECTIONS 42-6106 AND 42-6107, ARIZONA REVISED STATUTES; RELATING TO COUNTY TRANSPORTATION EXCISE TAXES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 42-6106, Arizona Revised Statutes, is amended to read:

42-6106. County transportation excise tax

A. ~~In a county with a population exceeding two hundred thousand but fewer than one million two hundred thousand persons,~~ If approved by the qualified electors voting at a countywide election, the regional transportation authority in ~~the~~ ANY county shall levy and the department shall collect a transportation excise tax up to the rate authorized by this section in addition to all other taxes. ~~A county with a population of four hundred thousand or fewer persons but more than two hundred thousand persons shall not levy a tax under both this section and section 42-6107.~~

B. The tax shall be levied and collected:

1. At a rate of not more than ten per cent of the transaction privilege tax rate prescribed by section 42-5010, subsection A in effect on January 1, 1990:

(a) To each person engaging or continuing in the county in a business taxed under chapter 5, article 1 of this title.

(b) Except that for the purposes of this paragraph with respect to the prime contracting classification under section 42-5075, the gross proceeds of sales or gross income that is deductible pursuant to section 42-5075, subsection B, paragraph 8 or pursuant to section 42-5061, subsection A, paragraph 27 for sales to a contractor who is exempt under section 42-5075, subsection B, paragraph 8 shall be included in the tax base for purposes of this paragraph.

2. In the case of persons subject to the tax imposed under section 42-5352, subsection A, at a rate of not more than .305 cents per gallon of jet fuel sold.

3. On the use or consumption of electricity or natural gas by retail electric or natural gas customers in the county who are subject to use tax under section 42-5155, at a rate equal to the transaction privilege tax rate under paragraph 1 applying to persons engaging or continuing in the county in the utilities transaction privilege tax classification.

C. Any subsequent reduction in the transaction privilege tax rate prescribed by chapter 5, article 1 of this title shall not reduce the tax ~~which~~ THAT is approved and collected as prescribed in this section. The department shall collect the tax at a variable rate if the variable rate is specified in the ballot proposition. The department shall collect the tax at a modified rate if approved by a majority of the qualified electors voting.

D. The net revenues collected under this section:

1. In counties with a population exceeding four hundred thousand ~~but fewer than one million two hundred thousand~~ persons, shall be deposited in the regional transportation fund pursuant to section 48-5307.

2. In counties with a population of four hundred thousand or fewer persons ~~but more than two hundred thousand persons~~, shall be deposited in the

public transportation authority fund pursuant to section 28-9142 or the regional transportation fund pursuant to section 48-5307 or shall be allocated between both funds.

E. The tax shall be levied under this section beginning January 1 or July 1, whichever date occurs first after approval by the voters, and may be in effect for a period of not more than twenty years.

Sec. 2. Section 42-6107, Arizona Revised Statutes, is amended to read:

42-6107. <u>County transportation excise tax for roads</u>

A. If a majority of the qualified electors voting at a countywide special election, or a majority of the qualified electors voting on the ballot proposition at a general election, approves the transportation excise tax, ~~a~~ THE county ~~with a population of four hundred thousand or fewer persons~~ shall levy and the department shall collect a tax:

1. At a rate of not more than ten per cent of the transaction privilege tax rate as prescribed by section 42-5010, subsection A applying, as of January 1, 1990, to each person engaging or continuing in the county in a business taxed under chapter 5, article 1 of this title.

2. In the case of persons subject to the tax imposed under section 42-5352, subsection A, at a rate of not more than .305 cents per gallon of jet fuel sold.

3. On the use or consumption of electricity or natural gas by retail electric or natural gas customers in the county who are subject to use tax under section 42-5155, at a rate equal to the transaction privilege tax rate under paragraph 1 applying to persons engaging or continuing in the county in the utilities transaction privilege tax classification. If a majority of the qualified electors in the county approved the transportation excise tax under this section before 1998, a tax under this paragraph may be approved by resolution adopted by a majority of the board of supervisors.

~~B. A county with a population of four hundred thousand or fewer persons but more than two hundred thousand persons shall not levy a tax under both this section and section 42-6106.~~

~~C.~~ B. The net revenues collected under this section within a county shall be deposited in the county's regional area road fund pursuant to title 28, chapter 17, article 3.

~~D.~~ C. The tax shall be levied under this section beginning January 1 or July 1, whichever date occurs first after approval by the voters, and may be in effect for a period of not more than twenty years.

APPROVED BY THE GOVERNOR MAY 11, 2010.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 12, 2010.