



**Bill Number: S.B. 1021**

**Ugenti-Rita Floor Amendment**

**Reference to: printed bill**

**Amendment drafted by: Molly Graver**

## **FLOOR AMENDMENT EXPLANATION**

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- 1. Requires the Arizona Department of Revenue (ADOR) to accept or require an electronic signature to serve as a functional equivalent of a written signature on a submitted document.**
- 2. Outlines requirements that an electronic signature must meet.**
- 3. Authorizes ADOR to prescribe the type of electronic signature required and the manner and format in which the electronic signature must be affixed to a record.**
- 4. Subjects ADOR's use and acceptance of electronic signatures to the standards and requirements in statutes governing governmental electronic records.**

**Amendment explanation prepared by Molly Graver**

**01/30/2020**

UGENTI-RITA FLOOR AMENDMENT  
SENATE AMENDMENTS TO S.B. 1021  
(Reference to printed bill)

1 Page 1, between lines 1 and 2, insert:

2 "Section 1. Section 42-1105, Arizona Revised Statutes, is amended to  
3 read:

4 42-1105. Taxpayer identification, verification and records;  
5 retention

6 A. The federal taxpayer identification number, assigned pursuant to  
7 section 6109 of the internal revenue code, is the taxpayer identifier for  
8 purposes of the taxes administered pursuant to this article. Each person  
9 who is required to make a return, statement or other document shall include  
10 the identifier in order to secure the person's proper identification. If  
11 the return, statement or other document is made, electronically or  
12 otherwise, by another person on behalf of the taxpayer, the taxpayer shall  
13 furnish the identifier to the other person, and the person shall furnish  
14 both the taxpayer's identifier and the person's own identifier with the  
15 return, statement or document.

16 B. The department may prescribe by administrative rule alternative  
17 methods for signing, subscribing or verifying a return, statement or other  
18 document required or authorized to be filed with the department that have  
19 the same validity and consequence as the actual signature or written  
20 declaration of the taxpayer or other person required to sign, subscribe or  
21 verify the return, statement or other document. While the department is  
22 adopting a rule prescribing alternative methods for signing, subscribing or  
23 verifying a return, statement or other document, the director, by tax  
24 ruling, may waive the requirement of a signature for a particular type or  
25 class of return, statement or other document required to be filed with the  
26 department. THIS SUBSECTION DOES NOT APPLY IF THE ALTERNATIVE METHOD FOR

1       SIGNING A RETURN, STATEMENT OR OTHER DOCUMENT IS AN ELECTRONIC SIGNATURE.  
2       THE DEPARTMENT SHALL ACCEPT OR REQUIRE ELECTRONIC SIGNATURES IN THE MANNER  
3       PRESCRIBED IN SECTION 42-1131. For purposes of this subsection, "tax  
4       ruling" has the same meaning prescribed in section 42-2052.

5             C. A person who is a return preparer or an electronic return  
6       preparer shall furnish a completed copy of the return, statement or other  
7       document to the taxpayer no later than the time the return, statement or  
8       other document is presented for the taxpayer's signature.

9             D. Except as provided in section 42-3010, every person who is  
10      subject to the taxes administered pursuant to this article shall keep and  
11      preserve copies of filed tax returns, including any attachments to the tax  
12      return, any signature documents used for the tax return, suitable records  
13      and other books and accounts necessary to determine the tax for which the  
14      person is liable for the period prescribed in section 42-1104. The books,  
15      records and accounts shall be open for inspection at any reasonable time by  
16      the department or its authorized agent.

17            E. Except as provided in section 42-3010, a return preparer or  
18      electronic return preparer shall keep copies of the return, statement or  
19      other document for six years for transaction privilege and use tax returns  
20      and four years for all other returns, statements and other documents  
21      following the date on which the return, statement or other document was due  
22      to be filed or was presented to the taxpayer for signature, whichever is  
23      later.

24            F. Except as provided in section 42-3010, the department may require  
25      by administrative rule electronic return preparers to keep for each  
26      prepared return, statement or other document the following documents for  
27      six years for transaction privilege and use tax returns and four years for  
28      all other returns, statements and other documents following the later of  
29      either the date on which the return, statement or other document was due to  
30      be filed with the department or was presented to the taxpayer for  
31      signature:

1           1. The signature document or tax return form bearing the taxpayer's  
2 original signature in a manner prescribed by the department by  
3 administrative rule or tax ruling.

4           2. Any attachments to the return, statement or other document  
5 required to be submitted to the department if the return, statement or  
6 other document had not been electronically transmitted to the department.

7           G. The operator of a swap meet, flea market, fair, carnival,  
8 festival, circus or other transient selling event shall maintain a current  
9 list of vendors conducting business on the premises as sellers. The list  
10 shall include each vendor name, business name and business address. On  
11 written notice, the department may require an operator to submit a copy of  
12 the list at any time to the department.

13           H. For at least the period of time prescribed by section 42-1104,  
14 the department shall retain any return, statement or other document, ~~as~~  
15 ~~defined in section 42-1101.01,~~ as a record pursuant to sections 41-151.14,  
16 41-151.15, 41-151.16, 41-151.17 and 41-151.19. Anything submitted with the  
17 return, statement or other document ~~as defined in section 42-1101.01~~ that  
18 is not required, authorized or requested by the department is not part of  
19 the record and may be destroyed, unless it is, at the department's  
20 reasonable discretion, of more than de minimis value. Copies of original  
21 documents of which the department reasonably expects the taxpayer has  
22 retained any originals are presumed to be of de minimis value for purposes  
23 of this section. If the department determines that any document that is  
24 not required, authorized or requested by the department pursuant to this  
25 subsection is of more than de minimis value, within ten days after receipt  
26 the department shall notify the taxpayer in writing or by electronic means  
27 of its intent to destroy the document. If the taxpayer requests the return  
28 of any document included in the notice, the department shall immediately  
29 comply, although the director may require the taxpayer to pay any shipping  
30 costs to return the document. If the taxpayer does not request the return  
31 of the documents within thirty days after the date on the notice or the

1 taxpayer consents to the destruction of the documents, whichever occurs  
2 first, the department may destroy the documents included in the notice.”

3 Renumber to conform

4 Page 1, strike lines 5 through 7, insert:

5 "A. THE DEPARTMENT SHALL ACCEPT OR REQUIRE AN ELECTRONIC SIGNATURE  
6 TO SERVE AS A FUNCTIONAL EQUIVALENT OF A WRITTEN SIGNATURE ON A DOCUMENT  
7 THAT IS SUBMITTED TO THE DEPARTMENT. THE ELECTRONIC SIGNATURE HAS THE SAME  
8 FORCE AND EFFECT AS A WRITTEN SIGNATURE.

9 B. AN ELECTRONIC SIGNATURE MUST MEET ALL OF THE FOLLOWING  
10 REQUIREMENTS:

11 1. BE EXECUTED OR ADOPTED BY A PERSON WITH THE INTENT TO SIGN THE  
12 DOCUMENT SO AS TO INDICATE THE PERSON'S APPROVAL OF THE INFORMATION  
13 CONTAINED IN THE DOCUMENT.

14 2. BE ATTACHED TO OR LOGICALLY ASSOCIATED WITH THE INFORMATION  
15 CONTAINED IN THE DOCUMENT BEING SIGNED.

16 3. BE CAPABLE OF RELIABLE IDENTIFICATION AND AUTHENTICATION OF THE  
17 PERSON AS THE SIGNER. IDENTIFICATION AND AUTHENTICATION MAY BE ACCOMPLISHED  
18 THROUGH ADDITIONAL SECURITY PROCEDURES OR PROCESSES IF RELIABLY CORRELATED  
19 TO THE ELECTRONIC SIGNATURE.

20 4. BE LINKED TO THE DOCUMENT IN A MANNER THAT WOULD INVALIDATE THE  
21 ELECTRONIC SIGNATURE IF THE DOCUMENT IS CHANGED.

22 5. BE LINKED TO THE DOCUMENT SO AS TO PRESERVE ITS INTEGRITY AS AN  
23 ACCURATE AND COMPLETE RECORD FOR THE FULL RETENTION PERIOD OF THE DOCUMENT.

24 6. BE COMPATIBLE WITH STANDARDS AND TECHNOLOGY FOR ELECTRONIC  
25 SIGNATURES THAT ARE GENERALLY USED IN COMMERCE AND INDUSTRY AND BY STATE  
26 GOVERNMENTS.

27 C. FOR DOCUMENTS THAT ARE SIGNED ELECTRONICALLY, THE DEPARTMENT  
28 SHALL PRESCRIBE THE FOLLOWING:

29 1. THE TYPE OF ELECTRONIC SIGNATURE REQUIRED.

30 2. THE MANNER AND FORMAT IN WHICH THE ELECTRONIC SIGNATURE MUST BE  
31 AFFIXED TO THE ELECTRONIC RECORD.

1 Reletter to conform

2 Page 1, between lines 9 and 10, insert:

3 "E. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, THE  
4 DEPARTMENT'S USE AND ACCEPTANCE OF ELECTRONIC SIGNATURES ARE SUBJECT TO THE  
5 STANDARDS AND REQUIREMENTS OF TITLE 44, CHAPTER 26, ARTICLE 3.

6 Sec. 3. Section 43-321, Arizona Revised Statutes, is amended to  
7 read:

8 43-321. Information required in returns

9 Each return required to be filed under this title shall contain the  
10 following:

11 1. It shall contain or be verified by a declaration that it is made  
12 under penalties of perjury. The declaration shall be written or in a form  
13 prescribed by the department pursuant to section 42-1105, subsection B OR  
14 SECTION 42-1131.

15 2. A specific statement of the items of the taxpayer's gross income  
16 and the adjustments, deductions and credits allowed by this title.

17 3. Such other information as the department may by rule prescribe  
18 for the purpose of carrying out the provisions of this title."

19 Renumber to conform

20 Amend title to conform

MICHELLE UGENTI-RITA

~~1021UGENTI-RITA0814~~  
~~01/30/2020~~  
~~08:14 AM~~  
~~S: MG/kja~~

1021UGENTI-RITA1152  
01/30/2020  
11:52 AM  
S: MG/ga