



Bill Number: S.B. 1049

Leach Floor Amendment

Reference to: Finance Committee Amendment

Amendment drafted by: Leg Council

FLOOR AMENDMENT EXPLANATION

- 1. Requires the Arizona Department of Revenue (ADOR) to collaborate with stakeholders to develop recommendations to:**
 - a) ensure taxpayer compliance with nonresident real estate sale reporting requirements; and**
 - b) identify best practices to enforce and collect tax from nonresidents on income generated from capital gains that is allocable to the state.**
- 2. Requires ADOR, by June 30, 2027, to include the outlined recommendations in the annual report on nonresident real estate transactions in Arizona from the previous tax year.**
- 3. Repeals the recommendation and reporting requirement on January 1, 2028.**

LEACH FLOOR AMENDMENT
SENATE AMENDMENTS TO S.B. 1049
(Reference to FINANCE Committee amendment)

Amendment instruction key:

[GREEN UPPERCASE UNDERLINING IN BRACKETS] indicates that the amendment is adding text to statute or previously enacted session law.
[Green lowercase underlining in brackets] indicates that the amendment is adding text to new session law or is restoring previously stricken text to existing statute.
~~[GREEN UPPERCASE STRIKEOUT IN BRACKETS]~~ indicates that the amendment is removing new text from statute or previously enacted session law.
~~[Green lowercase strikeout in brackets]~~ indicates that the amendment is removing text from existing statute, previously enacted session law or new session law.
<<Double green carets enclosing an entire section>> indicates that the amendment is adding the section to the bill.
~~<<Green strikeout with double green carets enclosing an entire section>>~~ indicates that the amendment is removing the section to the bill.
{[ORANGE UPPERCASE UNDERLINING IN DOUBLE CURLY BRACKETS]} indicates that the amendment to an amendment is adding text to statute or previously enacted session law.
{[Orange lowercase underlining in double curly brackets]} indicates that the amendment to an amendment is adding text to new session law or is restoring previously stricken text to existing statute.
~~{[ORANGE UPPERCASE STRIKEOUT IN DOUBLE CURLY BRACKETS]}~~ indicates that the amendment to an amendment is removing new text from statute or previously enacted session law.
~~{[Orange lowercase strikeout in double curly brackets]}~~ indicates that the amendment to an amendment is removing text from existing statute, previously enacted session law or new session law.
<<Double orange underlined carets enclosing an entire section>> indicate that the amendment to an amendment is adding the section to the bill.
~~<<Orange strikeout with double orange underlined carets enclosing an entire section>>~~ indicates that the amendment to an amendment is removing the section from the bill.

1 The bill as proposed to be amended is reprinted as follows:

2 Section 1. Section 43-312, Arizona Revised Statutes, is amended to
3 read:

4 43-312. Information return of sales; nonresident real estate
5 transactions; escrow agents; notice; reporting
6 requirements

7 A. A person THAT IS licensed under section 6-813 to conduct escrow
8 business for the purchase and sale of real property located in this state
9 shall file an information return of sales of real property located in this
10 state that are reported pursuant to federal reporting requirements under
11 section 6045(e) of the internal revenue code. The person shall file the
12 information return required by this subsection:

13 1. On or before ~~the thirty-first day of~~ March 31 with respect to
14 sales of real property located in this state that are closed on or before
15 December 31 of the preceding calendar year.

1 2. Using the same form and format of the return filed with the
2 internal revenue service under section 6045(e) of the internal revenue
3 code.

4 ~~[B. ON OR BEFORE JUNE 30 OF EACH YEAR, THE DEPARTMENT SHALL NOTIFY~~
5 ~~THE JOINT LEGISLATIVE BUDGET COMMITTEE AND THE GOVERNOR'S OFFICE OF~~
6 ~~STRATEGIC PLANNING AND BUDGETING WHEN THE AMOUNT OF REVENUE COLLECTED FROM~~
7 ~~THE SALE OF REAL ESTATE BY NONRESIDENTS IN THIS STATE FOR THE PRIOR FISCAL~~
8 ~~YEAR REACHES \$3,000,000.]~~

9 [B.] ~~[C.]~~ On or before June 30~~[, -]~~ 2020 ~~[2027]~~~~[OF EACH YEAR]~~, the
10 department shall report to the joint legislative budget committee and the
11 governor's office of strategic planning and budgeting on the estimated
12 amount of capital gains tax paid by nonresidents of this state on real
13 estate transactions in this state from the ~~[most recent year before tax~~
14 ~~year]~~ 2019 ~~[2026]~~ ~~[PREVIOUS TAX YEAR]~~ based on available data from the
15 internal revenue service. On or before June 30 of each year, the
16 department shall estimate and report to the joint legislative budget
17 committee, and the governor's office of strategic planning and budgeting,
18 THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF
19 REPRESENTATIVES on the amount of revenue collected from the sale of real
20 estate by nonresidents that is attributed to the information return
21 prescribed by this section in the prior tax year.

22 <<Sec. 2. Department of revenue; information return for
23 nonresident real estate transactions; compliance;
24 recommendations; report; delayed repeal

25 {{A. On or before December 31, 2026, the department of revenue
26 shall collaborate with stakeholders to develop recommendations to:

27 1. Ensure taxpayer compliance with section 43-312, Arizona Revised
28 Statutes, as amended by this act.

29 2. Identify best practices to enforce and collect tax from
30 nonresidents on income generated from capital gains that is allocable to
31 this state.

32 B. The department shall include the recommendations in the annual
33 report required to be submitted on or before June 30, 2027 pursuant to
34 section 43 312, subsection B, Arizona Revised Statutes, as amended by this
35 act.

36 C. This section is repealed from and after December 31, 2027.}}>>

37 Enroll and engross to conform
38 Amend title to conform

VINCE LEACH

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