



Bill Number: S.B. 1464

Mesnard Floor Amendment

Reference to: printed bill

Amendment drafted by: Molly Graver

FLOOR AMENDMENT EXPLANATION

- 1. Requires the Arizona Department of Revenue (ADOR), if the Senate Finance Committee and House of Representatives Ways and Means Committees hold a hearing on a proposed new interpretation's or application's impact on taxpayers, to provide testimony regarding the reasons that the interpretation or application is necessary.**
- 2. Removes the authority for the Senate Finance Committee and House of Representatives Ways and Means Committees to recommend that ADOR adopt or reject the proposed new interpretation or application.**
- 3. Removes the stipulation that the proposed new interpretation or application takes effect if the Legislature does not hold a hearing within 60 days of receiving notice of the new interpretation or application.**

MESNARD FLOOR AMENDMENT
SENATE AMENDMENTS TO S.B. 1464
(Reference to printed bill)

Amendment instruction key:

[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.

[Green underlining in brackets] indicates text added to new session law or text restoring existing law.

[GREEN STRIKEOUT IN BRACKETS] indicates new text removed from statute or previously enacted session law.

[Green strikeout in brackets] indicates text removed from existing statute, previously enacted session law or new session law.

<<Green carets>> indicate a section added to the bill.

<<Green strikeout in carets>> indicates a section removed from the bill.

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

2 Section 1. Section 42-2078, Arizona Revised Statutes, is amended to
3 read:

4 42-2078. New interpretation or application of law; notice;
5 hearing; affirmative defense; definition

6 A. Unless expressly authorized by law, the department shall not
7 apply any newly enacted law retroactively or in a manner that will
8 penalize a taxpayer for complying with prior law.

9 B. IF A PROPOSED NEW INTERPRETATION OR APPLICATION OF ANY PROVISION
10 OF THIS TITLE OR TITLE 43 WILL ADVERSELY AFFECT TAXPAYERS PROSPECTIVELY,
11 THE DEPARTMENT SHALL, OR AN AFFECTED TAXPAYER MAY, NOTIFY THE CHAIRPERSONS
12 OF THE SENATE FINANCE COMMITTEE AND THE HOUSE OF REPRESENTATIVES WAYS AND
13 MEANS COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, BEFORE THE NEW
14 INTERPRETATION OR APPLICATION IS ADOPTED. [IF] THE CHAIRPERSONS OF THE
15 SENATE FINANCE COMMITTEE AND THE HOUSE OF REPRESENTATIVES WAYS AND MEANS
16 COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, [MAY] HOLD A HEARING ON THE
17 PROPOSED NEW INTERPRETATION'S OR APPLICATION'S IMPACT ON TAXPAYERS[, THE
18 DEPARTMENT SHALL PROVIDE TESTIMONY REGARDING THE REASONS THAT THE
19 INTERPRETATION OR APPLICATION IS NECESSARY.][AND RECOMMEND THAT THE
20 DEPARTMENT ADOPT OR REJECT THE PROPOSED NEW INTERPRETATION OR
21 APPLICATION. IF THE NOTICE PRESCRIBED BY THIS SUBSECTION IS RECEIVED
22 DURING THE LEGISLATIVE SESSION AND A HEARING IS NOT HELD WITHIN SIXTY DAYS
23 AFTER THE NOTICE IS RECEIVED, THE NEW INTERPRETATION OR APPLICATION SHALL
24 TAKE EFFECT. IF THE NOTICE PRESCRIBED BY THIS SUBSECTION IS NOT RECEIVED
25 DURING THE LEGISLATIVE SESSION AND A HEARING IS NOT HELD WITHIN SIXTY DAYS
26 AFTER THE START OF THE NEXT LEGISLATIVE SESSION, THE NEW INTERPRETATION OR
27 APPLICATION SHALL TAKE EFFECT.]

1 ~~B.~~ C. If the department adopts a new interpretation or application
2 of any provision of this title or title 43 or determines that any of those
3 provisions applies to a new or additional category or type of taxpayer,
4 and the change in interpretation or application is not due to a change in
5 the law:

6 1. The change in interpretation or application applies
7 prospectively unless it is favorable to taxpayers.

8 2. The department shall not assess any tax, penalty or interest
9 retroactively based on the change in interpretation or application.

10 3. The change is an affirmative defense in any administrative or
11 judicial action for retroactive assessment of tax, interest and penalties
12 to taxable periods before the new interpretation or application was
13 adopted.

14 ~~C.~~ D. Tax liabilities, penalties and interest paid before a new
15 interpretation or application of chapter 5 of this title by the department
16 shall not be refunded unless the taxpayer requesting the refund provides
17 evidence satisfactory to the department that the amounts will be refunded
18 to the person who paid an added charge to cover the tax.

19 ~~D.~~ E. For the purposes of this section, "new interpretation or
20 application" includes policies and procedures adopted by administrative
21 rule, A tax ruling, A tax procedure or instructions to a tax return.

22 Enroll and engross to conform

23 Amend title to conform

J.D. MESNARD

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