

HOUSE FLOOR AMENDMENT EXPLANATION



Bill Number: **HCR2021**

Livingston Floor Amendment

The Rep. Livingston HCR 2021 Additional COW floor amendment dated February 28, 2025 at 12:21 PM does the following:

1. allows a city, town or other taxing jurisdiction with a rate of less than 2% to increase the rate up to 2% if approved by the voters in the jurisdiction: and
2. removes the requirement that a city, town or other taxing jurisdiction with a rate of more than 2% to reduce the rate to 2% or less before July 1, 2027.

Amendment explanation prepared by Vince Perez
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ls

3/3/2025

ADDITIONAL COW
LIVINGSTON FLOOR AMENDMENT
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.C.R. 2021
(Reference to House engrossed resolution)

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 resolution as proposed to be amended is reprinted as follows:

2 1. Under the power of the referendum, as vested in the Legislature, the
3 following measure, relating to municipal transaction privilege tax, is enacted to
4 become valid as a law if approved by the voters and on proclamation of the
5 Governor:

6 AN ACT

7 AMENDING SECTION 42-6015, ARIZONA REVISED STATUTES; RELATING TO
8 MUNICIPAL TRANSACTION PRIVILEGE TAX.

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

10 Section 1. Section 42-6015, Arizona Revised Statutes, is
11 amended to read:

12 42-6015. Municipal transaction privilege tax; food; exemption

13 A. If a city, town or other taxing jurisdiction imposes a
14 transaction privilege, sales, use, franchise or other similar tax or
15 fee, however denominated, on:

16 1. SUBJECT TO SUBSECTION C OF THIS SECTION, the sale of food
17 items intended for human consumption as defined by rule adopted
18 pursuant to section 42-5106 or items prescribed by section 42-5106,
19 subsection D for home consumption, the tax must be applied uniformly
20 with respect to all food, and an additional tax or fee differential
21 may not be assessed or applied with respect to any specific food
22 item.

23 2. The sale of food items intended for human consumption as
24 defined by rule adopted pursuant to section 42-5106 or items
25 prescribed by section 42-5106, subsection D for consumption on the
26 premises, the tax must be applied uniformly with respect to all food
27 items, and an additional tax or fee differential may not be assessed
28 or applied with respect to any specific food item.

1 B. A city, town or other taxing jurisdiction may not levy a
2 transaction privilege, sales, use, franchise or other similar tax or
3 fee, however denominated, with respect to:

4 1. FROM AND AFTER JUNE 30, 2027, THE SALE OF FOOD ITEMS
5 INTENDED FOR HUMAN CONSUMPTION AS DEFINED BY RULE ADOPTED PURSUANT TO
6 SECTION 42-5106 OR ITEMS PRESCRIBED BY SECTION 42-5106, SUBSECTION D
7 FOR HOME CONSUMPTION UNLESS THE CITY, TOWN OR OTHER TAXING
8 JURISDICTION COMPLIES WITH THE REQUIREMENTS PRESCRIBED IN
9 SUBSECTION C OF THIS SECTION.

10 ~~1.~~ 2. The manufacture, wholesale or distribution to or among
11 any wholesalers, distributors or retailers, of food items intended
12 for human consumption as defined by rule adopted pursuant to section
13 42-5106 or items prescribed by section 42-5106, subsection D for home
14 consumption or for consumption on the premises.

15 ~~2.~~ 3. Any container or packaging used exclusively for
16 transporting, protecting or consuming food items intended for human
17 consumption as defined by rule adopted pursuant to section 42-5106 or
18 items prescribed by section 42-5106, subsection D for home
19 consumption or for consumption on the premises.

20 ~~3.~~ 4. The sale of food or other items purchased with United
21 States department of agriculture food stamp coupons issued under the
22 food stamp act of 1977 (P.L. 95-113; 91 Stat. 958) or food
23 instruments issued under section 17 of the child nutrition act
24 (P.L. 95-627; 92 Stat. 3603; P.L. 99-661, section 4302; 42 United
25 States Code section 1786) but may impose such a tax consistent with
26 this section on other sales of food.

27 ~~4.~~ 5. The sale of low or reduced-cost articles of food or
28 drink to eligible elderly or homeless persons or persons with a
29 disability by a business subject to tax under the restaurant
30 classification pursuant to section 42-5074 that contracts with the
31 department of economic security and that is approved by the food and
32 nutrition service of the United States department of agriculture
33 pursuant to the supplemental nutrition assistance program established
34 by the food and nutrition act of 2008 (7 United States Code sections
35 2011 through 2036c), if the purchases are made with the benefits
36 issued pursuant to the supplemental nutrition assistance program.

37 C. TO IMPOSE A TRANSACTION PRIVILEGE, SALES, USE, FRANCHISE OR
38 OTHER SIMILAR TAX OR FEE, HOWEVER DENOMINATED, PURSUANT TO SUBSECTION
39 A, PARAGRAPH 1 OF THIS SECTION, A CITY, TOWN OR OTHER TAXING
40 JURISDICTION:

41 1. FOR A CITY, TOWN OR OTHER TAXING JURISDICTION THAT HAS
42 APPROVED THE IMPOSITION OF A TRANSACTION PRIVILEGE, SALES, USE,
43 FRANCHISE OR OTHER SIMILAR TAX OR FEE, HOWEVER DENOMINATED, PURSUANT
44 TO SUBSECTION A, PARAGRAPH 1 OF THIS SECTION ON OR BEFORE JANUARY 1,
45 2025, ALL OF THE FOLLOWING APPLY:

46 (a) [FOR A CITY, TOWN OR OTHER TAXING JURISDICTION THAT
47 IMPOSES A TRANSACTION PRIVILEGE, SALES, USE, FRANCHISE OR OTHER
48 SIMILAR TAX OR FEE, HOWEVER DENOMINATED, AT A RATE THAT IS LESS THAN

1 TWO PERCENT OF THE BASE,] ANY INCREASE OF THE TRANSACTION PRIVILEGE,
2 SALES, USE, FRANCHISE OR OTHER SIMILAR TAX OR FEE, HOWEVER
3 DENOMINATED, MUST BE APPROVED BY THE VOTERS OF THE CITY, TOWN OR
4 OTHER TAXING JURISDICTION AND MAY NOT BE MORE THAN TWO PERCENT OF THE
5 TAX BASE.

6 [(b) FOR A CITY, TOWN OR OTHER TAXING JURISDICTION THAT
7 IMPOSES A TRANSACTION PRIVILEGE, SALES, USE, FRANCHISE OR OTHER
8 SIMILAR TAX OR FEE, HOWEVER DENOMINATED, AT A RATE THAT IS TWO
9 PERCENT OR MORE OF THE BASE, THE CITY, TOWN OR OTHER TAXING
10 JURISDICTION MAY NOT INCREASE THE RATE.]

11 ~~[(b)]~~ [(c)] AN INCREASE OF THE TRANSACTION PRIVILEGE, SALES,
12 USE, FRANCHISE OR OTHER SIMILAR TAX OR FEE, HOWEVER DENOMINATED, MUST
13 NOT OCCUR IN THE TWENTY-FOUR-MONTH PERIOD PRECEDING JUNE 30, 2027.

14 ~~[(c) IF THE RATE OF THE TRANSACTION PRIVILEGE, SALES, USE,~~
15 ~~FRANCHISE OR OTHER SIMILAR TAX OR FEE, HOWEVER DENOMINATED, IS MORE~~
16 ~~THAN TWO PERCENT, THE CITY, TOWN OR OTHER TAXING JURISDICTION SHALL~~
17 ~~REDUCE THE TAX RATE TO TWO PERCENT OF THE TAX BASE OR LOWER ON OR~~
18 ~~BEFORE JULY 1, 2027.]~~

19 2. FOR A CITY, TOWN OR OTHER TAXING JURISDICTION THAT HAS NOT
20 APPROVED THE IMPOSITION OF A TRANSACTION PRIVILEGE, SALES, USE,
21 FRANCHISE OR OTHER SIMILAR TAX OR FEE, HOWEVER DENOMINATED, PURSUANT
22 TO SUBSECTION A, PARAGRAPH 1 OF THIS SECTION ON OR BEFORE JANUARY 1,
23 2025, BOTH OF THE FOLLOWING APPLY:

24 (a) THE ADOPTION AND ANY SUBSEQUENT INCREASE OF THE
25 TRANSACTION PRIVILEGE, SALES, USE, FRANCHISE OR OTHER SIMILAR TAX OR
26 FEE, HOWEVER DENOMINATED, MUST BE APPROVED BY THE VOTERS OF THE CITY,
27 TOWN OR OTHER TAXING JURISDICTION AND MAY NOT BE MORE THAN TWO
28 PERCENT OF THE TAX BASE.

29 (b) THE ADOPTION OR SUBSEQUENT INCREASE OF THE TRANSACTION
30 PRIVILEGE, SALES, USE, FRANCHISE OR OTHER SIMILAR TAX OR FEE, HOWEVER
31 DENOMINATED, MUST NOT OCCUR IN THE TWENTY-FOUR-MONTH PERIOD PRECEDING
32 JUNE 30, 2027.

33 Sec. 2. Retroactivity

34 This act applies retroactively to from and after
35 December 31, 2024.

36 2. The Secretary of State shall submit this proposition to the voters at
37 the next general election as provided by article IV, part 1, section 1,
38 Constitution of Arizona.

39 Enroll and engross to conform
40 Amend title to conform

DAVID LIVINGSTON

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02/28/2025
12:21 PM
C: ED