

House Engrossed

food; municipal tax; exemption

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

HOUSE CONCURRENT RESOLUTION 2021

A CONCURRENT RESOLUTION

ENACTING AND ORDERING THE SUBMISSION TO THE PEOPLE OF A MEASURE RELATING
TO MUNICIPAL TRANSACTION PRIVILEGE TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved by the House of Representatives of the State of Arizona,
2 the Senate concurring:

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

7 AN ACT

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

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

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

13 42-6015. Municipal transaction privilege tax; food;
14 exemption

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

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

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

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

35 1. FROM AND AFTER JUNE 30, 2027, THE SALE OF FOOD ITEMS
36 INTENDED FOR HUMAN CONSUMPTION AS DEFINED BY RULE ADOPTED
37 PURSUANT TO SECTION 42-5106 OR ITEMS PRESCRIBED BY SECTION
38 42-5106, SUBSECTION D FOR HOME CONSUMPTION UNLESS THE CITY,
39 TOWN OR OTHER TAXING JURISDICTION COMPLIES WITH THE
40 REQUIREMENTS PRESCRIBED IN SUBSECTION C OF THIS SECTION.

41 ~~±~~ 2. The manufacture, wholesale or distribution to or
42 among any wholesalers, distributors or retailers, ~~—~~ of food
43 items intended for human consumption as defined by rule
44 adopted pursuant to section 42-5106 or items prescribed by

1 section 42-5106, subsection D for home consumption or for
2 consumption on the premises.

3 ~~2.~~ 3. Any container or packaging used exclusively for
4 transporting, protecting or consuming food items intended for
5 human consumption as defined by rule adopted pursuant to
6 section 42-5106 or items prescribed by section 42-5106,
7 subsection D for home consumption or for consumption on the
8 premises.

9 ~~3.~~ 4. The sale of food or other items purchased with
10 United States department of agriculture food stamp coupons
11 issued under the food stamp act of 1977 (P.L. 95-113; 91 Stat.
12 958) or food instruments issued under section 17 of the child
13 nutrition act (P.L. 95-627; 92 Stat. 3603; P.L. 99-661,
14 section 4302; 42 United States Code section 1786) but may
15 impose such a tax consistent with this section on other sales
16 of food.

17 ~~4.~~ 5. The sale of low or reduced-cost articles of food
18 or drink to eligible elderly or homeless persons or persons
19 with a disability by a business subject to tax under the
20 restaurant classification pursuant to section 42-5074 that
21 contracts with the department of economic security and that is
22 approved by the food and nutrition service of the United
23 States department of agriculture pursuant to the supplemental
24 nutrition assistance program established by the food and
25 nutrition act of 2008 (7 United States Code sections 2011
26 through 2036c), if the purchases are made with the benefits
27 issued pursuant to the supplemental nutrition assistance
28 program.

29 C. TO IMPOSE A TRANSACTION PRIVILEGE, SALES, USE,
30 FRANCHISE OR OTHER SIMILAR TAX OR FEE, HOWEVER DENOMINATED,
31 PURSUANT TO SUBSECTION A, PARAGRAPH 1 OF THIS SECTION, A CITY,
32 TOWN OR OTHER TAXING JURISDICTION:

33 1. FOR A CITY, TOWN OR OTHER TAXING JURISDICTION THAT
34 HAS APPROVED THE IMPOSITION OF A TRANSACTION PRIVILEGE, SALES,
35 USE, FRANCHISE OR OTHER SIMILAR TAX OR FEE, HOWEVER
36 DENOMINATED, PURSUANT TO SUBSECTION A, PARAGRAPH 1 OF THIS
37 SECTION ON OR BEFORE JANUARY 1, 2025, ALL OF THE FOLLOWING
38 APPLY:

39 (a) FOR A CITY, TOWN OR OTHER TAXING JURISDICTION THAT
40 IMPOSES A TRANSACTION PRIVILEGE, SALES, USE, FRANCHISE OR
41 OTHER SIMILAR TAX OR FEE, HOWEVER DENOMINATED, AT A RATE THAT
42 IS LESS THAN TWO PERCENT OF THE BASE, ANY INCREASE OF THE
43 TRANSACTION PRIVILEGE, SALES, USE, FRANCHISE OR OTHER SIMILAR
44 TAX OR FEE, HOWEVER DENOMINATED, MUST BE APPROVED BY THE

1 VOTERS OF THE CITY, TOWN OR OTHER TAXING JURISDICTION AND MAY
2 NOT BE MORE THAN TWO PERCENT OF THE TAX BASE.

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

8 (c) AN INCREASE OF THE TRANSACTION PRIVILEGE, SALES,
9 USE, FRANCHISE OR OTHER SIMILAR TAX OR FEE, HOWEVER
10 DENOMINATED, MUST NOT OCCUR IN THE TWENTY-FOUR-MONTH PERIOD
11 PRECEDING JUNE 30, 2027.

12 2. FOR A CITY, TOWN OR OTHER TAXING JURISDICTION THAT
13 HAS NOT APPROVED THE IMPOSITION OF A TRANSACTION PRIVILEGE,
14 SALES, USE, FRANCHISE OR OTHER SIMILAR TAX OR FEE, HOWEVER
15 DENOMINATED, PURSUANT TO SUBSECTION A, PARAGRAPH 1 OF THIS
16 SECTION ON OR BEFORE JANUARY 1, 2025, BOTH OF THE FOLLOWING
17 APPLY:

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

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

27 Sec. 2. Retroactivity

28 This act applies retroactively to from and after
29 December 31, 2024.

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