CHAPTER 324

SENATE BILL 1279

AN ACT

AMENDING TITLE 42, CHAPTER 19, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-19003.01; RELATING TO PERSONAL PROPERTY TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Title 42, chapter 19, article 1, Arizona Revised Statutes, is amended by adding section 42-19003.01, to read:

42-19003.01. Business computers and equipment; hardware; software; definition

A. Except as provided by subsection C of this section, personal computers and general purpose computers used in a trade or business shall be valued as personal property.

B. Operating system software necessary to enable the operation of personal computers, general purpose computers and peripheral equipment shall be valued as a part of the computer on which it is installed.

C. All other software, other than operating system software, whether it is canned or customized for a specific application by a personal computer or a general purpose computer, shall not be valued as personal property.

D. For the purposes of this section, "Operating system software" means the collection of software that directs the computer's low-level operations, controlling and scheduling the execution of application programs and managing the low-level operation of storage, input, output and communication resources.

Sec. 2. Intent

The enactment of section 42-19003.01, Arizona Revised Statutes, as added by this act, is not intended to constitute a change in state law with respect to the taxation of personal computers and general purpose computers and shall not be used as a basis for a claim for refund under title 42, chapter 16, article 6, Arizona Revised Statutes.

APPROVED BY THE GOVERNOR MAY 11, 2012.