



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

ENACTED
 FACT SHEET FOR H.B. 2379/S.B. 1057

internal revenue code; conformity

Purpose

Conforms Arizona tax statutes to the U.S. Internal Revenue Code (U.S. IRC) as of January 1, 2024, to reflect changes adopted by the U.S. Congress during 2023.

Background

The Arizona Legislature periodically updates the statutory definition of the U.S. IRC to include any federal provisions that became effective in the preceding calendar year as a means of paralleling the computation of Arizona income tax and other statutory references throughout the Arizona Revised Statutes to the amended U.S. IRC. Tax conformity with the U.S. IRC is deemed necessary because the calculation of Arizona corporate income tax liability begins with federal taxable income. Similarly, federal adjusted gross income is the starting point for individual income tax assessment.

According to the Arizona Department of Revenue (ADOR), there is no anticipated fiscal impact to the state General Fund associated with S.B. 1057 since no enacted federal acts modified the U.S. IRC in 2023.

Provisions

1. Updates the statutory definition of *Internal Revenue Code* to include all provisions in effect as of January 1, 2024, with the specific adoption of all retroactive effective dates, excluding any changes to the U.S. IRC enacted after January 1, 2024.
2. Makes technical and conforming changes.
3. Becomes effective on the general effective date.

House Action

WM 1/17/24 DP 10-0-0-0
 3rd Read 2/6/24 55-0-2-0-3

Senate Action

FICO 1/22/24 DP 7-0-1
 3rd Read 2/29/24 24-0-6
 (H.B. 2379 was substituted for S.B. 1057 on
 3rd Read)

Signed by the Governor 3/18/24
 Chapter 7

Prepared by Senate Research
 March 19, 2024
 MG/cs