



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

FACT SHEET FOR S.B. 1148

income tax; rebate; seniors

Purpose

Establishes a onetime individual income tax general welfare rebate for eligible taxpayers who were 55 years old or older during TY 2022 and prescribes administrative procedures for the Arizona Department of Revenue (ADOR).

Background

Individual income tax is levied at a single tax rate of 2.5 percent on the personal income of full-time residents and prorated for part-time residents of Arizona. The starting point for Arizona individual income tax is the federal adjusted gross income. To determine an individual's Arizona adjusted gross income, Arizona gross income is statutorily adjusted by additions and subtractions of certain expenses and income (A.R.S. §§ [43-1021](#); [43-1022](#); and [43-1011; Version 2](#)).

According to the 2022 five-year estimate from the U.S. Census Bureau's American Community Survey, Arizona is home to approximately 2,160,583 residents who are 55 years old or older ([U.S. Census Bureau](#)).

The fiscal impact of S.B. 1148 will depend on the rebate amount and the number of eligible taxpayers aged 55 years old or older who filed an individual income tax return for TY 2022.

Provisions

1. Requires ADOR, between October 15, 2024, and November 15, 2024, to issue a onetime individual income tax general welfare rebate (rebate) for TY 2022 to an Arizona taxpayer who:
 - a) filed a full-year resident tax return for TY 2022;
 - b) was 55 years old or older during TY 2022; and
 - c) had a tax liability of at least \$1 for TY 2022, 2021 or 2020.
2. Provides a blank space for the rebate amount.
3. Requires ADOR to attempt to pay each rebate by electronic funds transfer using the taxpayer's provided routing and account information or, if unsuccessful, to issue the rebate check by mail to the most recent home address provided by the taxpayer.
4. Requires a taxpayer, in calculating Arizona adjusted gross income, to subtract from the taxpayer's Arizona gross income any rebate received and required to be included in the Arizona gross income under the U.S. Internal Revenue Code.

FACT SHEET

S.B. 1148

Page 2

5. Allows a taxpayer who does not receive the rebate by November 15, 2025, to claim the rebate by filing an online claim application, as prescribed by ADOR and requires the claim application to include the claimant's name, address, taxpayer identification number and individual income tax filing status.
6. Requires ADOR to review each claim application and verify the provided information and allows ADOR to request a claimant to provide evidence of eligibility for the rebate.
7. Requires the Director of ADOR, by February 15, 2026, to report to the President of the Senate, Speaker of the House of Representatives and Director of the Joint Legislative Budget Committee on:
 - a) the total dollar amount of rebates disbursed;
 - b) the administrative costs associated with ADOR's rebate program; and
 - c) the total number of tax rebates issued.
8. Prohibits any communication relating to the rebate from:
 - a) being issued by the Governor's Office;
 - b) being sent on the Governor's Letterhead; or
 - c) referencing the Governor's Office.
9. Specifies that ADOR must conclude that a taxpayer does not meet the rebate eligibility criteria, if the taxpayer does not meet any of the rebate eligibility requirements.
10. Directs ADOR to use a taxpayer's taxpayer identification number, as reported on the taxpayer's TY 2022 tax return, for necessary matching and verification purposes.
11. Specifies that for a married couple filing a joint return where only one spouse is 55 years old or older, a rebate will only be issued for the qualifying spouse.
12. Allows a surviving spouse, personal representative, executor or other official representative of an estate to receive the rebate for a deceased taxpayer.
13. Subjects any appealable agency actions or contested cases relating to the rebate to uniform administrative hearing procedures.
14. Prescribes a statement for inclusion on any notification from ADOR relating to the rebate.
15. Contains a statement of legislative intent.
16. Defines terms.
17. Repeals the rebate on January 1, 2031.
18. Becomes effective on the general effective date.

Prepared by Senate Research

January 25, 2024

MG/JC/cs