

Administrative:

Arizona: New Law Permits and Specifies Procedures for Issuing Various Administrative Rulings

H.B. 2879, signed by gov. 5/7/21. New law permits the Arizona Department of Revenue (Department) to issue certain draft rulings, procedures, notices and administrative announcements (collectively, “administrative rulings”) that apply to tax laws and regulations and outlines new underlying procedures for issuing these administrative rulings. Among these procedures, the legislation generally deems an administrative ruling final and effective 30 days after it is released for public comment and review, unless the Department withdraws the administrative ruling; and allows the Department to amend a draft of it in response to public comments received during the 30-day period. The legislation also provides that a court must “decide all questions of law without deference to any determination that is made by the Department” in these administrative rulings.

URL: <https://apps.azleg.gov/BillStatus/BillOverview/76081>

Additionally, the new law modifies the statutorily prescribed process for the Department to respond to requests for a private taxpayer ruling or taxpayer information ruling. Under the new law, within 30 days after receiving a written request for a private taxpayer ruling or taxpayer information ruling, the Department must meet with the requestor to discuss the facts and circumstances pertaining to the request, unless the requester waives the meeting. The new law generally requires the Department to issue private taxpayer rulings or taxpayer information rulings within 90 days after receiving a written request, unless the Department and the requestor agree to delay the ruling. The Department also may decline to issue a private taxpayer ruling or taxpayer information ruling, but if it does, it must explain in writing its reasons for doing so. Furthermore, when applicable, the legislation includes various other procedures that must be followed prior to the Department’s issuance of a final private taxpayer ruling or taxpayer information ruling.

See recently issued Multistate Tax Alert for more details on this new law, and please contact us with any questions.

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-mta-arizona-legislation-addresses-administrative-rulings-and-procedures.pdf>

— Scott Schiefelbein (Portland)
Managing Director
Deloitte Tax LLP
sschiefelbein@deloitte.com

Cindy James (Phoenix)
Senior Manager
Deloitte Tax LLP
cyjames@deloitte.com

Jimmy Westling (Phoenix)
Manager
Deloitte Tax LLP
jawestling@deloitte.com

This document contains general information only and Deloitte is not, by means of this document, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This document is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this document.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.