



States' Biofuels Statutes

STATE OF ARIZONA

This project was undertaken in partnership with the USDA Office of the Chief Economist, The Office of Energy Policy and New Uses. For information on the full project, visit [States' Biofuels Statutory Citations](#). These statutes are placed in reverse chronological order using the date of the most recent amendment to the statute. Many biofuels laws were enacted as amendments to previously passed laws.

Current through the 2013 Legislative Session of the Arizona General Assembly.

§ 42-12006. Class six property

For purposes of taxation, class six is established consisting of:

1. Noncommercial historic property as defined in § 42-12101 and valued at full cash value.
2. Real and personal property that is located within the area of a foreign trade zone or subzone established under 19 United States Code section 81 and title 44, chapter 18,1 that is activated for foreign trade zone use by the district director of the United States customs service pursuant to 19 Code of Federal Regulations section 146.6 and that is valued at full cash value. Property that is classified under this paragraph shall not thereafter be classified under paragraph 6 of this section.
3. Real and personal property and improvements that are located in a military reuse zone that is established under title 41, chapter 10, article 32 and that is devoted to providing aviation or aerospace services or to manufacturing, assembling or fabricating aviation or aerospace products, valued at full cash value and subject to the following terms and conditions:
 - a. Property may not be classified under this paragraph for more than five tax years.
 - b. Any new addition or improvement to property already classified under this paragraph qualifies separately for classification under this paragraph for not more than five tax years.
 - c. If a military reuse zone is terminated, the property in that zone that was previously classified under this paragraph shall be reclassified as prescribed by this article.
 - d. Property that is classified under this paragraph shall not thereafter be classified under paragraph 6 of this section.
4. Real and personal property and improvements or a portion of such property comprising an environmental technology manufacturing, producing or processing facility that qualified under

§ 41-1514.02, valued at full cash value and subject to the following terms and conditions:

- a. Property shall be classified under this paragraph for twenty tax years from the date placed in service.
 - b. Any addition or improvement to property already classified under this paragraph qualifies separately for classification under this subdivision for an additional twenty tax years from the date placed in service.
 - c. After revocation of certification under § 41-1514.02, property that was previously classified under this paragraph shall be reclassified as prescribed by this article.
 - d. Property that is classified under this paragraph shall not thereafter be classified under paragraph 6 of this section.
5. That portion of real and personal property that is used on or after January 1, 1999 specifically and solely for remediation of the environment by an action that has been determined to be reasonable and necessary to respond to the release or threatened release of a hazardous substance by the department of environmental quality pursuant to § 49-282.06 or pursuant to its corrective action authority under rules adopted pursuant to § 49-922, subsection B, paragraph 4 or by the United States environmental protection agency pursuant to the national contingency plan (40 Code of Federal Regulations part 300) and that is valued at full cash value. Property that is not being used specifically and solely for the remediation objectives described in this paragraph shall not be classified under this paragraph. For the purposes of this paragraph, “remediation of the environment” means one or more of the following actions:
- a. Monitoring, assessing or evaluating the release or threatened release.
 - b. Excavating, removing, transporting, treating and disposing of contaminated soil.
 - c. Pumping and treating contaminated water.
 - d. Treatment, containment or removal of contaminants in groundwater or soil.
6. Real and personal property and improvements constructed or installed from and after December 31, 2004 through December 31, 2024 and owned by a qualified business under § 41-1516 and used solely for the purpose of harvesting, transporting or processing qualifying forest products removed from qualifying projects as defined in § 41-1516. The classification under this paragraph is subject to the following terms and conditions:
- a. Property may be initially classified under this paragraph only in valuation years 2005 through 2024.
 - b. Property may not be classified under this paragraph for more than five years.
 - c. Any new addition or improvement, constructed or installed from and after December 31, 2004 through December 31, 2024, to property already classified under this

paragraph qualifies separately for classification and assessment under this paragraph for not more than five years.

- d. Property that is classified under this paragraph shall not thereafter be classified under paragraph 2, 3 or 4 of this section.
7. Real and personal property and improvements to the property that are used specifically and solely to manufacture from and after December 31, 2006 through December 31, 2023 biodiesel fuel that is one hundred per cent biodiesel and its by-products or motor vehicle biofuel and its by-products and that are valued at full cash value. This paragraph applies only to the portion of property that is used specifically for manufacturing and processing one hundred per cent biodiesel fuel, or its related by-products, or motor vehicle biofuel, or its related by-products, from raw feedstock obtained from off-site sources, including necessary on-site storage facilities that are intrinsically associated with the manufacturing process. Any other commercial or industrial use disqualifies the entire property from classification under this paragraph. For the purposes of this paragraph, “motor vehicle biofuel” means a solid, liquid or gaseous fuel that is derived from biological material such as plant or animal matter, excluding organic material that has been transformed by geological processes into substances such as coal or petroleum or derivatives thereof, and that:
 - a. Contains fuel additives in compliance with federal and state law.
 - b. Is manufactured exclusively for use in a motor vehicle.
 8. Real and personal property and improvements that are certified pursuant to § 41-1511, subsection C, paragraph 2 and that are used for renewable energy manufacturing or headquarters operations as provided by § 42-12057. This paragraph applies only to property that is used in manufacturing and headquarters operations of renewable energy companies, including necessary on-site research and development, testing and storage facilities that are associated with the manufacturing process. Up to ten per cent of the aggregate full cash value of the property may be derived from uses that are ancillary to and intrinsically associated with the manufacturing process or headquarters operation. Any additional ancillary property is not qualified for classification under this paragraph. No new properties may be classified pursuant to this paragraph from and after December 31, 2014. Classification under this paragraph is limited to the time periods determined by the Arizona commerce authority pursuant to § 41-1511, subsection C, paragraph 2, subdivision (a) or (b). Property that is classified under this paragraph shall not thereafter be classified under any other paragraph of this section.

Credits

Added as § 42-12008 by Laws 1997, Ch. 150, § 172, eff. Jan. 1, 1999. Amended by Laws 1998, Ch. 286, § 9, eff. Jan. 1, 1999. Renumbered as § 42-12006 and amended by Laws 1999, Ch. 344, §§ 11, 16; Laws 2002, Ch. 237, § 6, eff. May 20, 2002; Laws 2005, Ch. 278, § 11; Laws 2006, Ch. 387, § 3; Laws 2006, Ch. 388, § 4; Laws 2009, Ch. 96, § 4. Amended by Laws 2011, 2nd S.S., Ch. 1, § 79, eff. July 1, 2011; Laws 2012, Ch. 331, § 7; Laws 2013, Ch. 236, § 7.

RETROACTIVE APPLICATION

<This act, as amended by Laws 2006, Ch. 387, applies retroactively to July 1, 2006.>

<This act, as amended by Laws 2002, Ch. 237, applies retroactively to taxable years beginning January 1, 2002.>