

**Proposed Change to the Model City Tax Code:
"2019 Speculative Builder Amendment"**

Section I. Model City Tax Code Section 416 is amended as follows effective from and after April 1, 2019.

Sec. ___-416. Construction contracting: speculative builders.

(a) The tax shall be equal to _____ percent (___%) of the gross income from the business activity upon every person engaging or continuing in business as a speculative builder within the City.

(1) The gross income of a speculative builder considered taxable shall include the total selling price from the sale of improved real property at the time of closing of escrow or transfer of title.

(2) "Improved Real Property" means any real property:

(A) upon which a new structure has been ~~constructed~~ substantially completed; or

(B) where improvements have been made to land containing no structure (such as paving or landscaping); or

(C) which has been reconstructed as provided by ~~Regulation~~ Section ___-416.2; or

(D) where water, power, and streets have been constructed to the property line.

For the purpose of paragraph (A), once a structure has been deemed "substantially complete" subsequent improvements to the structure shall not be considered for the purpose of determining the date on which a sale transaction would be taxable under this Section.

(3) "Sale of Improved Real Property" includes any form of transaction, whether characterized as a lease or otherwise, which in substance is a

**Proposed Change to the Model City Tax Code:
"2019 Speculative Builder Amendment"**

1 transfer of title of, or equitable ownership in, improved real property and
2 includes any lease of the property for a term of thirty (30) years or more
3 (with all options for renewal being included as a part of the term). In the
4 case of multiple unit projects, "sale" refers to the sale of the entire project
5 or to the sale of any individual parcel or unit.

6 (4) "Partially Improved Residential Real Property", as used in this Section,
7 means any improved real property, as defined in subsection (a)(2) above,
8 being developed for sale ~~to individual homeowners~~, where the
9 ~~construction of the residence upon~~ improvement to such property is not
10 substantially complete at the time of the sale.

11 (b) Exclusions.

12 (1) In cases involving reconstruction contracting, the speculative builder may
13 exclude from gross income the prior value allowed for reconstruction
14 contracting in determining his taxable gross income, as provided by
15 ~~Regulation~~Section ___-416.2.

16 (2) Neither the cost nor the fair market value of the land which constitutes
17 part of the improved real property sold may be excluded or deducted from
18 gross income subject to the tax imposed by this Section.

19 ~~++(Local Option #M:~~

20 ~~(2) Cost of land. Gross income from the sale of improved real property shall~~
21 ~~not include the seller's original purchase price of the land which is~~
22 ~~included in the real property sold, when a charge for such land is included~~
23 ~~in the total selling price of the real property sold.)++~~

24 ~~OR~~

25 ~~++(Local Option #N:~~

**Proposed Change to the Model City Tax Code:
"2019 Speculative Builder Amendment"**

1 (2) Fair market value of land. Gross income from the sale of improved real
2 property shall not include the "fair market value" of the land which is
3 included in the real property sold, when a charge for such land is included
4 in the total selling price of the real property sold.

5 (A) Except as provided in subsection (b)(2)(B) below, the taxpayer
6 must document such "fair market value" to the satisfaction of the
7 Tax Collector, and maintain and provide such documentation upon
8 demand in addition to and in like manner to the books and records
9 required in Article III.

10 (B) In lieu of the documented fair market value of land allowed in
11 subsection (b)(2)(A) above, an amount equal to twenty percent
12 (20%) of the total selling price may be used to estimate the "fair
13 market value" of land.)++

14 (3) (Reserved)

15 **++(Local Option #K:**

16 (3) When the improved real property is located at Fort Huachuca, the sale of
17 such improved real property is excluded from the tax imposed by this
18 Section.)++

19 (4) A speculative builder may exclude gross income from the sale of partially
20 improved ~~residential~~ real property as defined in (a)(4) above to another
21 speculative builder only if all of the following conditions are satisfied:

22 (A) The speculative builder purchasing the partially improved
23 ~~residential~~ real property has a valid ~~City~~ municipal privilege tax
24 license for construction contracting as a speculative builder; and

**Proposed Change to the Model City Tax Code:
"2019 Speculative Builder Amendment"**

1 (B) At the time of the transaction, the purchaser provides the seller
2 with a properly completed written declaration that the purchaser
3 assumes liability for and will pay all privilege taxes which would
4 otherwise be due the City at the time of sale of the partially
5 improved ~~residential~~ real property; and

6 (C) The seller also:

7 (i) maintains proper records of such transactions in a manner
8 similar to the requirements provided in this chapter relating
9 to sales for resale; and

10 (ii) retains a copy of the written declaration provided by the
11 buyer for the transaction; and

12 (iii) is properly licensed with the City as a speculative builder
13 ~~and provides the City with the written declaration attached~~
14 ~~to the City privilege tax return where he claims the~~
15 ~~exclusion.~~

16 (5) For taxable periods beginning from and after July 1, 2008, the portion of
17 gross proceeds of sales or gross income attributable to the actual direct
18 costs of providing architectural or engineering services that are
19 incorporated in a contract is not subject to tax under this section. For the
20 purposes of this subsection, "direct costs" means the portion of the actual
21 costs that are directly expended in providing architectural or engineering
22 services.

23 (c) Tax liability for speculative builders occurs at close of escrow or transfer of title,
24 whichever occurs earlier, and is subject to the following provisions, relating to
25 exemptions, deductions and tax credits:

**Proposed Change to the Model City Tax Code:
"2019 Speculative Builder Amendment"**

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

(1) Exemptions.

(A) The gross proceeds of sales or gross income attributable to the purchase of machinery, equipment or other tangible personal property that is exempt from or deductible from privilege or use tax under:

(i) Section ___-465, subsections (g) and (p)

(ii) Section ___-660, subsections (g) and (p)

**** (Model Option #15:**

(ii) (Reserved)**

shall be exempt or deductible, respectively, from the tax imposed by this Section.

(B) The gross proceeds of sales or gross income received from a contract for the construction of an environmentally controlled facility for the raising of poultry for the production of eggs and the sorting, or cooling and packaging of eggs shall be exempt from the tax imposed under this Section.

(C) The gross proceeds of sales or gross income that is derived from the installation, assembly, repair or maintenance of cleanrooms that are deducted from the tax base of the retail classification pursuant to Section ___-465, subsection (g) shall be exempt from the tax imposed under this section.

(D) The gross proceeds of sales or gross income that is derived from a contract entered into with a person who is engaged in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or

**Proposed Change to the Model City Tax Code:
"2019 Speculative Builder Amendment"**

1 products in this state for the construction, alteration, repair,
2 improvement, movement, wrecking or demolition or addition to or
3 subtraction from any building, highway, road, excavation,
4 manufactured building or other structure, project, development or
5 improvement used directly and primarily to prevent, monitor,
6 control or reduce air, water or land pollution shall be exempt from
7 the tax imposed under this Section.

8 (E) Any amount attributable to development fees that are incurred in
9 relation to the construction, development or improvement of real
10 property and paid by the taxpayer as defined in the model city tax
11 code or by a contractor providing services to the taxpayer. For the
12 purposes of this paragraph:

13 (i) the attributable amount shall not exceed the value of the
14 development fees actually imposed.

15 (ii) the attributable amount is equal to the total amount of
16 development fees paid by the taxpayer or by a contractor
17 providing services to the taxpayer and the total
18 development fees credited in exchange for the
19 construction of, contribution to or dedication of real
20 property for providing public infrastructure, public safety or
21 other public services necessary to the development. The
22 real property must be the subject of the development fees.

23 (iii) "development fees" means fees imposed to offset capital
24 costs of providing public infrastructure, public safety or
25 other public services to a development and authorized

**Proposed Change to the Model City Tax Code:
"2019 Speculative Builder Amendment"**

1 pursuant to A.R.S. Section 9-463.05, A.R.S. Section 11-
2 1102 or A.R.S. Title 48 regardless of the jurisdiction to
3 which the fees are paid.

4 (F) The gross proceeds of sales or gross income that is derived from
5 the value of existing tenant leases in place at the time of the sale
6 shall be exempt from tax imposed under this section. The value of
7 the in-place leases shall be determined as of the close of escrow
8 or transfer of title as follows:

9 (i) For a residential lease the value of the in-place lease is the
10 total value of all expected lease receipts through the end of
11 the current lease term multiplied by a factor of 1.5.

12 Expected lease receipts includes non-refundable deposits
13 and excludes all refundable deposits regardless of whether
14 the refundable deposit may be forfeited.

15 (ii) For a commercial lease the value of the in-place lease is
16 the present value of the expected lease receipts through
17 the end of the current lease term or first option of either
18 party to terminate the lease, whichever is less. The
19 discount rate used to calculate the present value shall be
20 the 100% Mid-term Applicable Federal Rate published by
21 the Internal Revenue Service associated with the payment
22 terms of the lease related to the month preceding the close
23 of escrow plus three (3) percentage points.

24 A transaction, whether characterized as a lease or otherwise,
25 which in substance is a transfer of title of or equitable ownership in

**Proposed Change to the Model City Tax Code:
"2019 Speculative Builder Amendment"**

1 improved real property, including any lease of the property for a
2 term of thirty (30) years or more (with all options for renewal being
3 included as a part of the term) is deemed to be a sale of improved
4 real property pursuant to subsection (a)(3) of this section and is
5 not considered an in-place lease.

6 (2) Deductions.

7 (A) All state and county taxes associated with the project and reported
8 and paid to the Department of Revenue by a contractor
9 constructing the improvements on the property shall be deducted
10 from the selling price.

11 (B) All amounts subject to the tax shall be allowed a deduction in the
12 amount of thirty-five percent (35%).

13 ~~(B)~~(C) The gross proceeds of sales or gross income that is derived from
14 a contract entered into for the installation, assembly, repair or
15 maintenance of income-producing capital equipment, as defined in
16 Section ___-110, that is deducted from the retail classification
17 pursuant to Section ___-465(g), that does not become a
18 permanent attachment to a building, highway, road, railroad,
19 excavation or manufactured building or other structure, project,
20 development or improvement shall be exempt from the tax
21 imposed by this Section. If the ownership of the realty is separate
22 from the ownership of the income-producing capital equipment,
23 the determination as to permanent attachment shall be made as if
24 the ownership was the same. The deduction provided in this
25 paragraph does not include gross proceeds of sales or gross

**Proposed Change to the Model City Tax Code:
"2019 Speculative Builder Amendment"**

1 income from that portion of any contracting activity which consists
2 of the development of, or modification to, real property in order to
3 facilitate the installation, assembly, repair, maintenance or
4 removal of the income-producing capital equipment. For purposes
5 of this paragraph, "permanent attachment" means at least one of
6 the following:

- 7 (i) to be incorporated into real property.
- 8 (ii) to become so affixed to real property that it becomes part
9 of the real property.
- 10 (iii) to be so attached to real property that removal would
11 cause substantial damage to the real property from which it
12 is removed.

13 ~~(G)~~(D) For taxable periods beginning from and after July 1, 2008 and
14 ending before January 1, 2017, the gross proceeds of sales or
15 gross income derived from a contract to provide and install a solar
16 energy device. The contractor shall register with the department of
17 revenue as a solar energy contractor. By registering, the
18 contractor acknowledges that it will make its books and records
19 relating to sales of solar energy devices available to the
20 department of revenue and the city, as applicable, for
21 examination.

22 (3) Tax credits.

23 The following tax credits are available to owner-builders or speculative
24 builders, not to exceed the tax liability against which such credits apply,

**Proposed Change to the Model City Tax Code:
"2019 Speculative Builder Amendment"**

1 provided such credits are documented to the satisfaction of the tax
2 collector:

3 (A) A tax credit equal to the amount of city privilege or use tax, or the
4 equivalent excise tax, paid directly to a taxing jurisdiction or as a
5 separately itemized charge paid directly to the vendor with respect
6 to the tangible personal property incorporated into the said
7 structure or improvement to real property undertaken by the
8 owner-builder or speculative builder.

9 (B) A tax credit equal to the amount of privilege taxes paid to this City,
10 or charged separately to the speculative builder, by a construction
11 contractor, on the gross income derived by said person from the
12 construction of any improvement to the real property.

13 (C) A tax credit equal to the amount of privilege taxes paid to this City
14 by any speculative builder on the gross income derived by said
15 person from the sale of improved real property pursuant to
16 subsections (a)(2)(B) or (a)(2)(D) of this section against the gross
17 income of any speculative builder from the sale of improved real
18 property pursuant to subsection (a)(2)(A).

19 ~~(G)~~(D) No credits provided herein may be claimed until such time that the
20 gross income against which said credits apply is reported.

21
22 **Section II. Model City Tax Code Section 416.1 is added as follows, repealing and**
23 **replacing Regulation 416.1 effective from and after April 1, 2019.**
24

**Proposed Change to the Model City Tax Code:
"2019 Speculative Builder Amendment"**

1 **Sec. ___-416.1. Speculative builders: homeowner's bona fide non-business sale of a**
2 **family residence.**

3 (a) A sale of a home, regardless of the stage of completion of such home shall be
4 considered a "homeowner's bona fide non-business sale" and not subject to the
5 tax on speculative builders if:

6 (1) the property was actually used as the principal place of family residence
7 or vacation residence by the immediate family of the seller for the six (6)
8 months next prior to the offer for sale; and

9 (2) the seller has not sold more than two (2) such residences (or, if the
10 residence is a vacation residence, two (2) such vacation residences)
11 within the thirty-six (36) months immediately prior to the offer for sale; and

12 (3) the seller has not licensed, leased, or rented the sold premises for any
13 period within twenty-four (24) months prior to the offer for sale.

14 (b) In the event that a homeowner of a family residence contracts with a licensed
15 construction contractor for improvements to a residence, the construction
16 contracting on a family residence shall be presumed to be for an owner's bona
17 fide non-business purpose and all construction contractors shall be required to
18 report and pay the tax imposed on all such improvements.

19 (c) Purchases by a homeowner of tangible personal property for inclusion in any
20 construction, alteration, or repair of his residence shall be subject to tax as retail
21 sales to the ultimate consumer.

22 (d) "Owner", "Homeowner", and "Seller" as used in this Section shall only mean an
23 individual or qualified trust, and no other entity, association, or representative
24 shall qualify; except that an administrator, executor, personal representative, or
25 guardian in guardianship or probate proceedings, for the estate of a deceased or

**Proposed Change to the Model City Tax Code:
"2019 Speculative Builder Amendment"**

1 incompetent person or a minor, may claim "homeowner" status for such person if
2 such person would have otherwise qualified with respect to the specific property
3 involved.

- 4 (e) "Qualified trust" as used in this Section means any legal trust where a beneficiary
5 of the trust is an individual that has been the resident of the property and that
6 individual meets the criteria listed in subsection (a) of this Section.

7
8 ~~Reg. ___-416.1. Speculative builders: homeowner's bona fide non-business sale of a~~
9 ~~family residence.~~

10 ~~(a) A sale of a custom home, regardless of the stage of completion of such home~~
11 ~~shall be considered a "homeowner's bona fide non-business sale" and not~~
12 ~~subject to the tax on speculative builders if:~~

13 ~~(1) the property was actually used as the principal place of family residence~~
14 ~~or vacation residence by the immediate family of the seller for the six (6)~~
15 ~~months next prior to the offer for sale; and~~

16 ~~(2) the seller has not sold more than two (2) such residences (or, if the~~
17 ~~residence is a vacation residence, two (2) such vacation residences)~~
18 ~~within the thirty-six (36) months immediately prior to the offer for sale; and~~

19 ~~(3) the seller has not licensed, leased, or rented the sold premises for any~~
20 ~~period within twenty-four (24) months prior to the offer for sale.~~

21 ~~(b) In the event that a homeowner of a family residence contracts with a licensed~~
22 ~~construction contractor for improvements to a residence, the construction~~
23 ~~contracting on a family residence shall be presumed to be for an owner's bona~~
24 ~~fide non-business purpose and all construction contractors shall be required to~~
25 ~~report and pay the tax imposed on all such improvements.~~

**Proposed Change to the Model City Tax Code:
"2019 Speculative Builder Amendment"**

1 ~~(c) Purchases by a homeowner of tangible personal property for inclusion in any~~
2 ~~construction, alteration, or repair of his residence shall be subject to tax as retail~~
3 ~~sales to the ultimate consumer.~~

4 ~~(d) "Owner" and "Homeowner" as used in this Regulation shall only mean an~~
5 ~~individual, and no other entity, association, or representative shall qualify; except~~
6 ~~that an administrator, executor, personal representative, or guardian in~~
7 ~~guardianship or probate proceedings, for the estate of a deceased or~~
8 ~~incompetent person or a minor, may claim "homeowner" status for such person if~~
9 ~~such person would have otherwise qualified with respect to the specific property~~
10 ~~involved.~~

11
12 **Section III. Model City Tax Code Section 416.2 is added as follows, repealing and**
13 **replacing Regulation 416.2 effective from and after April 1, 2019.**

14
15 **Sec. ___-416.2. Reconstruction contracting.**

16 (a) "Reconstruction (of Real Property)" shall mean the subdividing of real property
17 and, in addition, all construction contracting activities performed upon said real
18 property; provided, however, that each of the following conditions are met:

19 (1) a structure existed on said real property prior to the reconstruction
20 activity; and

21 (2) the "prior value" of said structure exceeds fifteen percent (15%) of the
22 "prior value" of the integrated property (land, improvements, and
23 structure); and

24 (3) the total cost of all construction contracting activities performed on said
25 real property in the twenty-four (24) month period prior to the sale of any

**Proposed Change to the Model City Tax Code:
"2019 Speculative Builder Amendment"**

1 part of the real property exceeds fifteen percent (15%) of the "prior value"
2 of the real property; and

3 (4) the structure which existed on the real property prior to the reconstruction
4 activity still exists in some form upon the property, and is included, in
5 whole or in part, in the property sold.

6 (b) Except as provided in subsection (c) below, "prior value" means the value of the
7 total integrated property, with improvements, as existing immediately prior to any
8 reconstruction activity. Where, according to Title 42 of the Arizona Revised
9 Statutes, a property's full cash value for secondary tax purposes is intended to
10 represent the property's fair market value, "prior value" shall be the property's full
11 cash value for secondary property tax purposes as determined by the County
12 Assessor in the year immediately preceding the year in which the reconstruction
13 improvement(s) are or could have been included in the County Assessor's
14 valuation. If the County Assessor's valuation is contested or appealed, the final
15 determination at either the administrative or judicial level shall apply. Where,
16 according to Title 42 of the Arizona Revised Statutes, a property's full cash value
17 for secondary property tax purposes is not intended to represent the property's
18 fair market value, "prior value" shall be the property's fair market value prior to
19 the reconstruction improvement(s).

20 (c) "Alternative Prior Value" shall mean that as an alternative to the "prior value"
21 defined above, the taxpayer may use his actual cost of the reconstructed
22 property prior to reconstruction, provided that evidence of such cost is presented
23 to the Tax Collector and is determined by the Tax Collector, in his sole discretion,
24 to be satisfactory. Such evidence shall consist, at a minimum, of proof of the
25 actual, arms-length acquisition price, accompanied by a full appraisal of all

**Proposed Change to the Model City Tax Code:
"2019 Speculative Builder Amendment"**

1 property involved which appraisal shall have been performed by a real estate
2 broker or MAI appraiser specifically for the purpose of assisting in the acquisition
3 and further shall have been performed on behalf of the seller or a lending
4 institution which has lent at least sixty-five percent (65%) of the acquisition price.
5 (Only long-term lending - not interim or construction financing will be considered.)
6 This alternative value shall be used only if the property was acquired by the
7 reconstruction taxpayer not more than thirty-six (36) months prior to a "sale" as
8 defined below.

9 (d) A "sale" for the purpose of determining "alternative prior value" or
10 "reconstruction" only shall be deemed to have occurred as of the date of the
11 execution of a contract of sale or a deed (joint tenancy or warranty) whichever is
12 earlier, to a purchaser or grantee of any single residential or other occupancy
13 unit. In addition to the foregoing, a lease with option to purchase a single
14 residential unit shall be considered a "sale" at the date of execution of such lease
15 if said option is exercisable by the lessee in not later than nine (9) months.
16 Further in the case of cooperative apartments, the sale date shall be the date of
17 execution of the contract selling (subject or not to encumbrances, liens or
18 security interests) of a share, or a sufficient number of shares which entitle the
19 purchaser to the occupancy of a residential unit. In all cases a person shall
20 include a husband and wife as a community, or any co-occupants of a single unit
21 as joint tenants.

22
23 ~~Reg. ___-416.2. Reconstruction contracting.~~

**Proposed Change to the Model City Tax Code:
"2019 Speculative Builder Amendment"**

- 1 ~~(a) — "Reconstruction (of Real Property)" shall mean the subdividing of real property~~
2 ~~and, in addition, all construction contracting activities performed upon said real~~
3 ~~property; provided, however, that each of the following conditions are met:~~
- 4 ~~(1) — a structure existed on said real property prior to the reconstruction activity; and~~
5 ~~(2) — the "prior value" of said structure exceeds fifteen percent (15%) of the "prior~~
6 ~~value" of the integrated property (land, improvements, and structure); and~~
7 ~~(3) — the total cost of all construction contracting activities performed on said real~~
8 ~~property in the twenty-four (24) month period prior to the sale of any part of the~~
9 ~~real property exceeds fifteen percent (15%) of the "prior value" of the real~~
10 ~~property; and~~
- 11 ~~(4) — the structure which existed on the real property prior to the reconstruction activity~~
12 ~~still exists in some form upon the property, and is included, in whole or in part, in~~
13 ~~the property sold.~~
- 14 ~~(b) — Except as provided in subsection (c) below, "prior value" means the value of the~~
15 ~~total integrated property, with improvements, as existing immediately prior to any~~
16 ~~reconstruction activity. Where, according to Title 42 of the Arizona Revised~~
17 ~~Statutes, a property's full cash value for secondary tax purposes is intended to~~
18 ~~represent the property's fair market value, "prior value" shall be the property's full~~
19 ~~cash value for secondary property tax purposes as determined by the County~~
20 ~~Assessor in the year immediately preceding the year in which the reconstruction~~
21 ~~improvement(s) are or could have been included in the County Assessor's~~
22 ~~valuation. If the County Assessor's valuation is contested or appealed, the final~~
23 ~~determination at either the administrative or judicial level shall apply. Where,~~
24 ~~according to Title 42 of the Arizona Revised Statutes, a property's full cash value~~
25 ~~for secondary property tax purposes is not intended to represent the property's~~

**Proposed Change to the Model City Tax Code:
"2019 Speculative Builder Amendment"**

1 fair market value, "prior value" shall be the property's fair market value prior to
2 the reconstruction improvement(s).

3 ~~(c) — "Alternative Prior Value" shall mean that as an alternative to the "prior value"~~
4 ~~defined above, the taxpayer may use his actual cost of the reconstructed~~
5 ~~property prior to reconstruction, provided that evidence of such cost is presented~~
6 ~~to the Tax Collector and is determined by the Tax Collector, in his sole discretion,~~
7 ~~to be satisfactory. Such evidence shall consist, at a minimum, of proof of the~~
8 ~~actual, arms-length acquisition price, accompanied by a full appraisal of all~~
9 ~~property involved which appraisal shall have been performed by a real estate~~
10 ~~broker or MAI appraiser specifically for the purpose of assisting in the acquisition~~
11 ~~and further shall have been performed on behalf of the seller or a lending~~
12 ~~institution which has lent at least sixty-five percent (65%) of the acquisition price.~~
13 ~~(Only long term lending — not interim or construction financing will be considered.)~~
14 ~~This alternative value shall be used only if the property was acquired by the~~
15 ~~reconstruction taxpayer not more than thirty-six (36) months prior to a "sale" as~~
16 ~~defined below.~~

17 ~~(d) — A "sale" for the purpose of determining "alternative prior value" or~~
18 ~~"reconstruction" only shall be deemed to have occurred as of the date of the~~
19 ~~execution of a contract of sale or a deed (joint tenancy or warranty) whichever is~~
20 ~~earlier, to a purchaser or grantee of any single residential or other occupancy~~
21 ~~unit. In addition to the foregoing, a lease with option to purchase a single~~
22 ~~residential unit shall be considered a "sale" at the date of execution of such lease~~
23 ~~if said option is exercisable by the lessee in not later than nine (9) months.~~
24 ~~Further in the case of cooperative apartments, the sale date shall be the date of~~
25 ~~execution of the contract selling (subject or not to encumbrances, liens or~~

**Proposed Change to the Model City Tax Code:
“2019 Speculative Builder Amendment”**

1 ~~security interests) of a share, or a sufficient number of shares which entitle the~~
2 ~~purchaser to the occupancy of a residential unit. In all cases a person shall~~
3 ~~include a husband and wife as a community, or any co-occupants of a single unit~~
4 ~~as joint tenants.~~