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ARIZONA TAX RESEARCH ASSOCIATION

NEWS RELEASE

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ATRA DISMAYED BY GOVERNOR BREWER'S VETO THAT INCREASES PROPERTY TAXES

Brewer's veto imposes largest property tax increase in state history

With Governor Brewer's veto today of Senate Bill 1025, Arizona property taxpayers, and in particular businesses and employers, will see higher property taxes added to their current list of economic challenges.

As a result of the veto of Senate Bill 1025, the 2009 property tax bills that will be mailed this month will include an added state tax rate of 33 cents per \$100 dollars of assessed value — a \$250 million statewide increase. The large property tax increase will hit Arizona property taxpayers despite the repeated efforts of the Arizona Legislature to ensure otherwise. Twice this year the Legislature passed bills to repeal the scheduled property tax increase. The bills were both vetoed by Governor Brewer.

In explaining his disappointment with the Governor's veto, ATRA President Kevin McCarthy said, "This property tax increase occurs despite being opposed by the majority of the state's policymakers. It is regrettable that the Governor twice used her veto stamp to block the Legislature on such an important tax policy issue."

Arizona's business property taxes are among the highest in the nation and are widely viewed as an impediment to economic growth in Arizona. The major property tax increase will reverse a nine-year trend of state policymaker's attempts to improve Arizona's economic position with small but consistent reductions in state imposed property tax rates. "With the private sector still reeling from record job losses and home foreclosures, this particular tax increase will further dampen investment in Arizona and kill more jobs," said McCarthy.

ATRA Chairman of the Board Richard Foreman expressed his regret of the veto saying, "Of all of the tax increases on the table this session, clearly the property tax increase does the most damage to the state's economy and Arizona's taxpayers."

ATRA is Arizona's only statewide non-profit, non-partisan taxpayer organization. In addition to research on public finance and tax issues, ATRA represents taxpayers before the State Legislature and Arizona local governments.