

ATRA OPPOSES SB 1074

(Striker Amendment)

Extending the Enterprise Zone Sunset

The striker amendment to SB 1074 extends the enterprise zone tax breaks due to sunset July 1, 2006. The Arizona Tax Research Association (ATRA) strongly opposes the extension of the property tax breaks in the enterprise zone program. Further, this amendment expands the criteria for new businesses to qualify for the property tax breaks.

ATRA believes that the property tax breaks provided in enterprise zones are bad policy and serve to exacerbate problems in Arizona's property tax system.

The problem Arizona faces regarding high business property taxes should not be solved by targeting relief to select businesses thereby making taxes even higher for other business taxpayers.

Proponents are correct that Arizona's high business property taxes are an impediment to economic development. Those high business property taxes are the result of the inequities in Arizona's property tax system. Creating more inequities through the creation of Enterprise Zones is not the answer to the problem.

ATRA ASKS LAWMAKERS TO VOTE *NO* ON SB 1074



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