

Jan. 24, 2008

To: ARIZONA STATE SENATE  
ARIZONA HOUSE OF REPRESENTATIVES

From: MICHELLE BOLTON, NFIB/ARIZONA STATE DIRECTOR

Subject: SB 1002 AND HB 2220, Permanent repeal of the state equalization rate

On behalf of the 10,000 Arizona members of the National Federation of Independent Business, I am respectfully requesting Senate members to support **SB 1002** and House members to support **HB 2220**. Both measures deal with the permanent repeal of the state equalization rate.

Arizona's commercial property taxes rank among the top five highest in the nation. Out of 75 barriers to business start-up and continuation measured by the National Federation of Independent Business's *Small Business Problems and Priorities* report, property taxes ranked sixth.

Lately, residential and commercial property valuations have increased dramatically and have translated into staggering property tax increases.

In 2006, the Legislature and governor appropriately responded to the growing crisis by suspending a state-controlled tax rate (the "state equalization assistance rate"). But more needs to be done to address the property tax issue and holding off a "California-style" tax revolt that is emerging. It is important to make permanent the current three-year suspension of the state equalization property tax rate. If not, the result will be a tax increase on property owners.

NFIB encourages state lawmakers to support and approve SB 1002 and HB 2220 when the bills come to the Senate and House floors for votes.

Thank you for your consideration.