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CITIES & TOWNS UNVEIL TAX SIMPLIFICATION SOLUTION

Proposal Includes Tax Cut for Small Businesses, Models Neighboring States

PHOENIX (May 16, 2013) – Municipal leaders across Arizona have a true tax-simplification plan that streamlines the auditing, licensing and reporting requirements, and makes it easier for companies to do business in Arizona. A new and important element of the plan includes a \$100 million tax cut for small businesses, such as plumbers, electricians, heating and cooling technicians and other trades.

This proposal achieves Gov. Jan Brewer’s goal of simplifying Arizona’s complex tax system, but it holds city and town budgets harmless – unlike other versions of the HB 2111 tax-simplification legislation.

“This plan is good for businesses, good for cities and towns and good for taxpayers,” said Clarkdale Mayor Doug Von Gausig, president of the League of Arizona Cities and Towns. “Our proposal helps Governor Brewer keep her promise to simplify the tax system without harming cities and towns.”

2-2-2/Cities & towns unveil tax simplification solution

Additionally, the proposal developed by the League is consistent with statutes in neighboring states, and establishes a simplified tax-filing system for small businesses.

Here are highlights of the League's proposal:

- Establishes an online portal as a “one-stop shop” for licensing and tax filing
- Establishes a single audit coordinated through the Arizona Department of Revenue
- Service contractors pay at the job site *only* on materials used – represents a 68 percent tax cut for small business
- Costs the state of Arizona significantly less than current legislative proposal.

Earlier proposals to this legislation would have meant significant negative impacts to city and town budgets, which drew concern from top-ranking lawmakers in the Legislature. This new proposal is consistent with the recommendations of Governor Brewer's TPT Taskforce.

To view the city and town proposal, [click here.](#)

About the League:

The League of Arizona Cities and Towns is a voluntary association of all the 91 incorporated cities and towns in the state of Arizona. It provides policy and legislative advocacy, information and inquiry services, along with publications and educational programs to strengthen the quality and efficiency of municipal government. It was founded in 1937 to serve the interests of cities and towns and to preserve the principles of home rule and local determination. For more information, visit www.azleague.org.

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