

THE CAPITOL INSIDER

Arizona Association of REALTORS®
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The Insider is devoted to bringing you cutting edge information on legislative issues effecting your industry

A Tax on Services Drumbeat Hits a Second Foul Note

Although the specific details of two tax increase/reform plans, one from a few state legislators of the Republican Party and one now from House and Senate Democrats, are still sketchy, the drumbeat for a major tax increase by extending the sales tax base to include services played again loudly yesterday at a jointly held House and Senate Democrat Caucus press conference.

What is known is that the real estate industry and REALTORS® in particular are not specifically exempt from these proposals.

The news coverage of these proposals has been anemic, often not providing any of the specific tax proposal components they contain or how they might impact the small businesses and consumers these proposals target. The details are rather nebulous with references about increasing the tax base to include services but the information only hints about which services would be taxed.

There seems to be a serious disconnect right now between those who are espousing the tax on services proposal and voters who clearly oppose the idea as demonstrated in recent polling data. If tax increase referendums were presented on the fall ballot, Arizonans would likely follow Californians and overwhelmingly vote them all down.

AAR is continuing lobbying efforts to reduce the threat of a tax on services via the FY10 budget and beyond.

We will send you more details and information as they become available.

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