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2 JULY 2009

## ATR Commends Arizona Legislature for Rejecting Gov. Brewer's Sales Tax Hike

*Budget Compromise, Multi-Billion Dollar Tax Increase Fails*

WASHINGTON, D.C. – Americans for Tax Reform today commends the Arizona Legislature for approving a budget that does not include the \$3 billion sales tax increase pushed by Gov. Jan Brewer (R). The legislature adjourned in the early morning after transmitting the finalized budget to the governor's desk for her signature.

The 17.8% sales tax increase has been aggressively advanced by Gov. Brewer over the past several months, ostensibly to resolve the state's \$3 billion overspending problem. Opponents of Brewer's proposed tax hike contend it will adversely affect an already contracting economy and counter that excessive spending from the Napolitano administration should be paired back. Arizona's general fund spending has grown at 66% over the last five years, which is double the rate of population and inflation.

**"The state's current fiscal crisis is a perfect impetus to reform Arizona's reckless overspending addiction,"** said Grover Norquist, president of Americans for Tax Reform. **"Despite this, Gov. Brewer continued through the late hours to advocate for her massive \$3 billion tax hike. Fiscal conservatives throughout the legislature should be praised for rejecting this irresponsible proposal."**

A verbal budget compromise agreement between Gov. Brewer and legislative leadership died as the legislature adjourned. That plan would have referred the Governor's sales tax hike to the ballot, while establishing a flat state income tax in Arizona. While Americans for Tax Reform strongly supports the flat tax, the compromise would have been a net \$2.5 billion tax increase and a violation of the Taxpayer Protection Pledge, a promise made to constituents to "oppose any and all efforts to raise taxes." Nine state senators and twenty state representatives have signed the Pledge.

**"The compromise with Gov. Brewer was nothing more than a \$2.5 billion tax increase – plain and simple,"** said Grover Norquist, president of Americans for Tax Reform. **"Establishing a flat tax in Arizona would have been a wonderful idea, had it not been tied to a gigantic tax hike. While there is still much work to be done to rectify Arizona's overspending problem, today was a victory for Grand Canyon State taxpayers."**