



PROPOSITION 116



OFFICIAL TITLE

**SENATE CONCURRENT RESOLUTION 1012
A CONCURRENT RESOLUTION**

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, SECTION 2, CONSTITUTION OF ARIZONA; RELATING TO PROPERTY TAX EXEMPTIONS.

TEXT OF PROPOSED AMENDMENT

Be it resolved by the Senate of the State of Arizona, the House of Representatives concurring:

1. Article IX, section 2, Constitution of Arizona, is proposed to be amended as follows if approved by the voters and on proclamation of the Governor:

2. Property subject to taxation: exemptions

Section 2. (1) There shall be exempt from taxation all federal, state, county and municipal property.

(2) Property of educational, charitable and religious associations or institutions not used or held for profit may be exempt from taxation by law.

(3) Public debts, as evidenced by the bonds of Arizona, its counties, municipalities or other subdivisions, shall also be exempt from taxation.

(4) All household goods owned by the user thereof and used solely for noncommercial purposes shall be exempt from taxation, and such person entitled to such exemption shall not be required to take any affirmative action to receive the benefit of such exemption.

(5) Stocks of raw or finished materials, unassembled parts, work in process or finished products constituting the inventory of a retailer or wholesaler located within the state and principally engaged in the resale of such materials, parts or products, whether or not for resale to the ultimate consumer, shall be exempt from taxation.

(6) The legislature may exempt personal property that is used for agricultural purposes or in a trade or business from taxation in a manner provided by law, except that the exemption does not apply to any amount of the full cash value of the personal property of a taxpayer that exceeds:

(a) AN AMOUNT THAT IS EQUAL TO THE ANNUAL EARNINGS OF FIFTY WORKERS IN THIS STATE ACCORDING TO A DESIGNATED NATIONAL MEASURE OF EARNINGS PER EMPLOYEE ADJUSTED ANNUALLY. THE EXEMPT AMOUNT ALLOWED UNDER THIS PARAGRAPH APPLIES TO THE PERSONAL PROPERTY OF A TAXPAYER THAT IS INITIALLY ACQUIRED, AS DEFINED BY LAW, DURING OR AFTER TAX YEAR 2013.

(b) Fifty thousand dollars. The legislature may provide by law to increase the exempt amount according to annual variations in a designated national inflation index. THE EXEMPT AMOUNT ALLOWED UNDER THIS PARAGRAPH APPLIES TO THE PERSONAL PROPERTY OF A TAXPAYER THAT IS INITIALLY ACQUIRED, AS DEFINED BY LAW, BEFORE TAX YEAR 2013.

(7) The legislature may exempt the property of cemeteries that are set apart and used to inter deceased human beings from taxation in a manner provided by law.

(8) There shall be further exempt from taxation the property of each honorably discharged airman, soldier, sailor, United States marine, member of revenue marine service, the coast guard, nurse corps or of any predecessor or of the component of auxiliary of any thereof, resident of this state, in the amount of:

(a) One thousand five hundred dollars if the total assessment of such person does not exceed three thousand five hundred dollars.

(b) One thousand dollars if the total assessment of such person does not exceed four thousand dollars.

(c) Five hundred dollars if the total assessment of such person does not exceed four thousand five hundred dollars.

(d) Two hundred fifty dollars if the total assessment of such person does not exceed five thousand dollars.

(e) No exemption if the total assessment of such person exceeds five thousand dollars.

No such exemption shall be made for such person unless such person shall have served at least sixty days in the military or naval service of the United States during World War I or prior wars and shall have been a resident of this state prior to September 1, 1945.

(9) There shall be further exempt from taxation as herein provided the property of each honorably discharged airman, soldier, sailor, United States marine, member of revenue marine service, the coast guard, nurse corps or of any predecessor or of the component of auxiliary of any thereof, resident of this state, where such person has a service-connected disability as determined by the United States veterans administration or its successor. No such exemption shall be made for such person unless he shall have been a resident of this state prior to September 1, 1945 or unless such person shall have been a resident of this state for at least four years prior to his original entry into service as an airman, soldier, sailor, United States marine, member of revenue marine service, the coast guard, nurse corps or of any predecessor or of the component of auxiliary of any thereof. The property of such person having a compensable service-connected disability exempt from taxation as herein provided shall be determined as follows:

(a) If such person's service-connected disability as determined by the United States veterans administration or its successor is sixty per cent or less, the property of such person exempt from taxation shall be determined by such person's percentage of disability multiplied by the assessment of such person in the amount of:

(i) One thousand five hundred dollars if the total assessment of such person does not exceed three thousand five hundred dollars.

(ii) One thousand dollars if the total assessment of such person does not exceed four thousand dollars.

(iii) Five hundred dollars if the total assessment of such person does not exceed four thousand five hundred dollars.

(iv) Two hundred fifty dollars if the total assessment of such person does not exceed five thousand dollars.

(v) No exemption if the total assessment of such person exceeds five thousand dollars.

(b) If such person's service-connected disability as determined by the United States veterans administration or its successor is more than sixty per cent, the property of such person exempt from taxation shall be in the amount of:

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- (i) One thousand five hundred dollars if the total assessment of such person does not exceed three thousand five hundred dollars.
- (ii) One thousand dollars if the total assessment of such person does not exceed four thousand dollars.
- (iii) Five hundred dollars if the total assessment of such person does not exceed four thousand five hundred dollars.
- (iv) Two hundred fifty dollars if the total assessment of such person does not exceed five thousand dollars.
- (v) No exemption if the total assessment of such person exceeds five thousand dollars.

(10) There shall be further exempt from taxation the property of each honorably discharged airman, soldier, sailor, United States marine, member of revenue marine service, the coast guard, nurse corps or of any predecessor or of the component of auxiliary of any thereof, resident of this state, where such person has a nonservice-connected total and permanent disability, physical or mental, as so certified by the United States veterans administration, or its successor, or such other certification as provided by law, in the amount of:

- (a) One thousand five hundred dollars if the total assessment of such person does not exceed three thousand five hundred dollars.
- (b) One thousand dollars if the total assessment of such person does not exceed four thousand dollars.
- (c) Five hundred dollars if the total assessment of such person does not exceed four thousand five hundred dollars.
- (d) Two hundred fifty dollars if the total assessment of such person does not exceed five thousand dollars.
- (e) No exemption if the total assessment of such person exceeds five thousand dollars.

No such exemption shall be made for such person unless he shall have served at least sixty days in the military or naval service of the United States during time of war after World War I and shall have been a resident of this state prior to September 1, 1945.

(11) There shall be further exempt from taxation the property of each widow, resident of this state, in the amount of:

- (a) One thousand five hundred dollars if the total assessment of such widow does not exceed three thousand five hundred dollars.
- (b) One thousand dollars if the total assessment of such widow does not exceed four thousand dollars.
- (c) Five hundred dollars if the total assessment of such widow does not exceed four thousand five hundred dollars.
- (d) Two hundred fifty dollars if the total assessment of such widow does not exceed five thousand dollars.
- (e) No exemption if the total assessment of such widow exceeds five thousand dollars.

In order to qualify for this exemption, the income from all sources of such widow, together with the income from all sources of all children of such widow residing with the widow in her residence in the year immediately preceding the year for which such widow applies for this exemption, shall not exceed:

- 1. Seven thousand dollars if none of the widow's children under the age of eighteen years resided with her in such widow's residence; or
- 2. Ten thousand dollars if one or more of the widow's children residing with her in such widow's residence was under the age of eighteen years, or was totally and permanently disabled, physically or mentally, as certified by competent medical authority as provided by law.

Such widow shall have resided with her last spouse in this state at the time of the spouse's death if she was not a widow and a resident of this state prior to January 1, 1969.

(12) No property shall be exempt which has been conveyed to evade taxation. The total exemption from taxation granted to the property owned by a person who qualifies for any exemption in accordance with the terms of subsections (8), (9), (10) or (11) shall not exceed one thousand five hundred dollars. The provisions of this section shall be self-executing.

(13) All property in the state not exempt under the laws of the United States or under this constitution or exempt by law under the provisions of this section shall be subject to taxation to be ascertained as provided by law.

2. Short title

This measure shall be known as and may be cited as the "Small Business Job Creation Act."

3. The Secretary of State shall submit this proposition to the voters at the next general election as provided by article XXI, Constitution of Arizona.

ANALYSIS BY LEGISLATIVE COUNCIL

The Arizona Constitution currently provides that all property in Arizona is subject to property taxation unless it is specifically exempted from tax as authorized by the Constitution.

Proposition 116, known as the Small Business Job Creation Act, would amend the Arizona Constitution to allow the state to exempt from taxation the "full cash value" of equipment and machinery or "personal property" used in agriculture or in a trade or business, up to an amount equal to the annual earnings of fifty workers in this state. This exemption would apply to equipment and machinery initially acquired beginning in the 2013 tax year. To determine the amount of the exemption, the state would designate a national measure of employee earnings, which would be adjusted annually.

Under current Arizona law, the first \$50,000 of full cash value of a taxpayer's equipment and machinery used in agriculture or in a trade or business is exempt from tax. The amount is adjusted annually for inflation, and is currently set at \$68,079. The current exemption would continue to apply to equipment and machinery initially acquired before the 2013 tax year.

"Full cash value" refers to the market value of property unless a specific formula for valuing property for tax purposes is set out in law.

"Personal property" refers to property that is not part of real estate and includes such things as machinery, equipment and store fixtures.

ARGUMENTS "FOR" PROPOSITION 116

Vote YES on 116

Let's bring Arizona out of the recession! History shows that small businesses are the source of two-thirds of all new private sector jobs when we come out of an economic downturn. I believe it's the responsibility of government to do what it can to help our small businesses lead us to growth and prosperity. That doesn't mean government should pick winners and losers and it certainly doesn't mean spending taxpayer dollars on outright subsidies. No, our small businesses succeed in spite of government intervention not because of it.

A highlight of my legislative service has been working with small business job creators to write the referendum you see as Proposition 116, the Small Business Job Creation Act. It's a straight-forward proposal designed to get government out of the way by rolling back the unwise policy Arizona adopted a century ago that punishes private sector investment in the equipment and machinery essential to creating jobs. This tax is something small businesses incur the moment they acquire new equipment and machinery and before they hire one worker or make any product to sell.

Proposition 116 will create thousands of new jobs in Arizona by removing one of the heaviest drags on our small businesses. It does so without creating a new bureaucracy or foolishly spending the taxpayers' money. The new investment spurred by passage of Proposition 116 will be 100% financed by the private sector—precisely where it ought to be financed from.

It's a testament to the public policy soundness of Proposition 116 that it was unanimously adopted by our lawmakers who all too often cannot agree on much of anything substantial. I urge you to join me, our small business job creators and leaders from across the political spectrum to vote "yes" on Proposition 116.

Andy Biggs, State Senator, Majority Leader, Arizona State Senate, Gilbert

Paid for by Vote YES on 116 Committee

SCR 1012 (Prop 116) – THCC POSITION: SUPPORT

Statement: The Tucson Hispanic Chamber of Commerce supports the increase of the personal property tax exemption and believes it will encourage businesses to grow and expand. Business owners are slowly recovering from the economic downturn. This is a necessary initiative to stimulate reinvestment in their business machinery for growth.

Lea Marquez Peterson, President & CEO, Tucson Hispanic Chamber of Commerce, Tucson

Tannya Gaxiola, Chairwoman, Tucson Hispanic Chamber of Commerce, Tucson

Paid for by Tucson Hispanic Chamber of Commerce

Vote for JOBS – Vote YES on 116

Proposition 116, the **Small Business Job Creation Act**, will unleash our small business job creators to not only put Arizona back to work but also forge a stronger, more diversified and growing economy. Proposition 116 will make Arizona better able to compete globally and overcome the uncertainties that still challenge our economic security.

When our small businesses invest in new equipment and machinery they also must hire new workers to operate those machines. **The Small Business Job Creation Act rolls back Arizona's heavy equipment and machinery tax that's owed before any new workers are hired or any new production is realized.** This burdensome equipment and machinery tax makes it much harder to attract new businesses to Arizona and discourages our home-grown small businesses from taking the risk of expanding and creating more jobs.

Proposition 116 anchors an annual tax exemption on newly-acquired equipment and machinery to the average annual wages of 50 Arizona workers. This means Arizonans can vote with confidence that only those employers who put their money to work building stronger small businesses that create jobs will see a benefit from passage of Proposition 116.

Proposition 116 is championed by the 7,500 small business owners who make up the National Federation of Independent Business in Arizona. Our members tell us that if Proposition 116 passes, **56% would acquire new equipment and machinery and 46% would hire new workers.**

In addition to creating jobs, Proposition 116 gets government out of the way and signals to America's entrepreneurs that Arizona is open for business and ready to get back to work.

NFIB, the Voice of Small Business in Arizona, urges you to vote "yes" on Proposition 116.

Vote for JOBS – Vote YES on 116

Farrell Quinlan, Arizona State Director, National Federation of Independent Business, Phoenix

Andy Delph, Leadership Council Chairman, National Federation of Independent Business, Phoenix

Paid for by National Federation of Independent Business Arizona

Farm Bureau Supports a "Yes" Vote on Proposition 116

The Arizona Farm Bureau supports the Small Business Job Creation Act. Farmers and Ranchers are small business owners who create jobs and contribute to the overall economy. In these tough economic times we believe the best public policy is to promote job creation and capital investment.

Prop. 116 reduces one of the barriers for small businesses to invest and purchase equipment necessary to create jobs and put people back to work. Currently Arizona farmers and small businesses incur a heavy tax burden on their equipment and machinery before they harvest their first crop or make their first sale. This mandated tax on equipment is paid on an annual basis regardless of the business' ability to pay or the equipment actually being used. A tax on equipment is a tax on growth and a barrier to producing new jobs.

Making Arizona prosperous begins with getting Arizonans back to work. Vote yes on Prop. 116 and help Arizona's small businesses get the job engine running again.

Kevin G. Rogers, President, Arizona Farm Bureau Federation, Gilbert

James W. Klinker, Chief Administrative Officer, Arizona Farm Bureau Federation, Gilbert

Paid for by Arizona Farm Bureau Federation

Dear voters,

I support the Small Business Job Creation Act, Proposition 116

As a small business owner in Arizona for over 20 years, I support the Small Business Job Creation Act. Please vote yes on Proposition 116.

This tax incentive would allow Businesses to upgrade their old equipment, and purchase high tech equipment without paying additional personal property taxes on the new equipment. This incentive creates manufacturing jobs and incentives to lower small business energy costs.

Please vote yes on Prop 116.
Please sign up to support this at www.YesOn116.org
Thank you,
Mark Lewis, Executive Director, Water Resource Institute, Phoenix
Paid for by Water Resource Institute LLC

Virtually all of the business growth in Arizona comes from small businesses and a long term strategy for economic growth requires us to make more of them successful. Small business is most vulnerable in its first few years of operation. Prop 116 provides a tax break on the purchase of new equipment and machinery that are large upfront costs that often become unbearable for new businesses. Improving the success rate of new businesses is critical to providing the jobs we so badly need.

When I travel the state visiting with business leaders, they commonly cite the high tax rate that small businesses pay on their machinery and equipment as a major challenge to new job creation. With the phased enactment of Proposition 116 by the voters, 95% of all small businesses with fewer than 50 employees will pay no personal property tax.

This will help to give Arizona a competitive advantage for recruiting start-up companies and retaining existing small businesses. Proposition 116 received a bi-partisan endorsement in the Legislature and deserves a similar bi-partisan support at the ballot.
Fred DuVal, Former Commissioner, Arizona Commerce and Economic Development Board, Phoenix

Arizona Chamber of Commerce & Industry Supports Proposition 116

One of Arizona's great strengths as a state is the entrepreneurial spirit of its citizens. In fact, the Kauffman foundation recently ranked Arizona as the top state for entrepreneurship in the entire country. The tax, legal and regulatory reforms enacted at the state capitol in recent years have created an environment in which these entrepreneurs can succeed. The Arizona Chamber supports Proposition 116 because it continues to improve the tax environment for small businesses and makes it easier for them to grow and create jobs.

Proposition 116 encourages job creation by reducing the tax burden on equipment and machinery. This is especially beneficial to small businesses and startups because the tax on equipment and machinery is owed regardless of profitability or whether a new company has actually sold any products.

The impact of the current policy is that a company's resources are allocated to a tax on their equipment and machinery rather than being allocated to hiring new workers and making capital investments that will support future growth. By reducing the damaging impact of the current tax, Proposition 116 will further strengthen Arizona's climate for entrepreneurship by enabling small business owners to allocate more of their resources toward job creation and investment.

We urge voters to support Proposition 116.
Glenn Hamer, President & CEO, Arizona Chamber of Commerce & Industry, Phoenix
Paid for by Arizona Chamber of Commerce & Industry

Doug Yonko, Chairman, Arizona Chamber of Commerce & Industry, Phoenix

Ranching Families Support Prop 116

Ranching and raising food is a property intensive business. High personal property taxes force ranch families to continually pay for their fences and equipment-once when we first purchase them and again each year as government levies its personal property tax on these same items. Proposition 116 will provide for fairness and efficiency by increasing the exemption for personal property taxes on agriculture and business equipment and machinery.

Please vote YES on Proposition 116!
Norman J. Hinz, President, Arizona Cattle Feeders Association, Phoenix
Paid for by Arizona Cattlemen's Association

Patrick Bray, Executive Vice President, Arizona Cattlemen's Association, Phoenix

I support Proposition 116: Small Business Job Creation Act. As a business woman running a hot air balloon company in the Arizona for 21 years, personal property tax exemption is important. My company, Hot Air Expeditions, is an equipment-based company. I am continuously buying new equipment and machinery. The current heavy tax burden placed on my small business is self-defeating and anti-growth because it punishes the very investment needed to grow the company. Proposition 116 provides for further encouragement to expand the company and hire more employees with a personal property tax exemption for new equipment purchases.

The Proposition 116 referendum seeks to amend the Arizona Constitution to reset the personal property tax exemption for new equipment and machinery purchases to an amount equal to the earnings of 50 Arizona workers, approximately \$2.4 million. Personal property purchased on or before December 31, 2012 would remain subject to the current indexed amount which for Tax Year 2012 is \$68,079.

I ask for your support. Proposition 116 must garner 50 percent plus one vote of those voting on the measure on or before November 6, 2012 General Election ballot. If passed, the new provisions will affect personal property purchased in 2013 and thereafter. Personal property already on the tax rolls will remain unaffected.

Bipartisan support is the hallmark of the Proposition 116 (Small Business Job Creation Act). It received unanimous bipartisan support from state legislators. The strong support speaks well to the soundness of this public policy proposal that both sides of the aisles voted for it.

Please vote YES on Proposition 116.
Margie Long, President, Hot Air Expeditions, Phoenix

Ramon E. Torres Jr., Corporate Officer, Hot Air Expeditions, Phoenix

Paid for by Hot Air Expeditions, Inc.

Dear Arizona Taxpayer,

Thanks to the trillion-dollar federal "Stimulus" spending programs (paid for with your tax dollars, and with debt imposed on our children and grandchildren), the economy of Washington, DC – the home of Big Government – is booming. In Washington, there is very low unemployment, and there are building cranes as far as the eye can see.

But out here in Arizona, in America's real economy, families and businesses are still hurting and many people are without good jobs. We need to enact smart policies that will help Arizona's economy.

One of the biggest problems facing the Arizona economy is that our current property tax system punishes job creators who would otherwise invest in the equipment and machinery necessary to creating productive and well-paid jobs. Because Arizona's existing tax system punishes small businesses when they acquire new equipment and machinery, many of those businesses choose to locate their new plants in other states.

Spelling, grammar and punctuation were reproduced as submitted in the "for" and "against" arguments.

Proposition 116, the Small Business Job Creation Act, will help to create thousands of new jobs in Arizona – the kind of capital-intensive, highly productive jobs that build our economy and create prosperity for our families.

PLEASE VOTE YES ON PROP 116.

For more ideas about state and local tax and budget policy, and to help us enhance freedom and protect free enterprise, contact the Arizona chapter of Americans for Prosperity, at www.aztaxpayers.org, (602) 478-0146, or tjenney@afphq.org.

Tom Jenney, Phoenix

Vote YES on 116 – Small Business Job Creation Act

Small businesses need government off our backs so we can do what we do best—create the jobs Arizonans need to secure their families’ economic security. Arizona’s small business job creators bear a heavy tax burden whenever we invest in new equipment and machinery—the necessary building blocks for good-paying jobs—and this tax liability is incurred even before we hire a single new worker, make our first sale or see a dime of profit.

As the owner of Arizona Hi-Lift, a Phoenix-based small business that rents and sells aerial, boom and scissor lift equipment, I know firsthand the depth and pervasiveness of this recession. In Maricopa County where 85% of our state’s equipment and machinery is located, we’ve seen a breathtaking 56% drop in new equipment acquisitions. Not coincidentally, Arizona has nearly stopped creating good-paying, private sector jobs.

Proposition 116 is written to push back on this unacceptable “new normal”.

Arizona’s equipment and machinery tax is a serious impediment to economic growth, investment and job creation. Passing Proposition 116 will reduce this burden and make it easier for local businesses to expand while simultaneously making us far more attractive to employers seeking escape from high-tax and high-regulation states like California.

Proposition 116 will also enable our small businesses to be more competitive in the unforgiving global marketplace. By passing Proposition 116, Arizona will boldly announce to the world that we are open for business and are ready to get to work!

Proposition 116, the Small Business Job Creation Act, will unleash our small business job creators to “do their thing” and build a stronger, more prosperous Arizona in the process. But first it’s up to voters to “do their thing” and **Vote YES on 116** this November.

Doug Click, Chairman, Vote YES on 116 Committee, Phoenix

Paid for by Vote YES on 116 Committee

I’m voting “yes” on Proposition 116 (The Small Business Job Creation Act) because its passage will directly and immediately lead to new job creation and stronger small businesses throughout Arizona—small businesses like mine.

EnVision Flexible Packaging produces pre-made pouches for the food, beverage and personal care markets. Currently, our pouches are made in Wisconsin rather than in Arizona. On numerous occasions we have tried to bring home to Arizona our production facilities but have been frustrated by the serious initial costs to doing so prior to even producing one pouch or hiring one new employee.

A major driver of this expense is the heavy equipment and machinery tax liability that comes with such an investment in Arizona. Manufacturing machinery is very expensive and the equipment and machinery tax has made it prohibitively expensive to afford acquiring it while simultaneously being able to afford hiring the people needed to run the machinery.

By passing Proposition 116, EnVision would be able to invest in the necessary new machinery and immediately add about a dozen new, good-paying manufacturing jobs in Arizona. We would then be positioned to create an additional 50 new jobs at a new state-of-the-art pouch filling facility that would make EnVision the only American company able to make and fill the pouches as well as the product. However, without passage of Proposition 116 we may have to go elsewhere due to Arizona’s punishing equipment and machinery tax.

Hundreds, if not thousands, of Arizona small businesses share dreams similar to ours at EnVision for expansion and creating new jobs. Passage of Proposition 116 can help make these dreams a reality for everyone, especially for the Arizonans filling these new jobs.

Vote YES on 116

Liesl Harder Kielp, Phoenix

Paid for by Vote YES on 116 Committee

The AMIGOS PAC, an association of small and mid-sized Arizona businesses supports proposition 116 for one important reason...jobs. The less Arizona businesses have to spend on taxes on their equipment, the more they can spend buying new equipment and hiring new employees. That creates good jobs for all Arizona families. We urge a YES vote on 116!

Sydney Hay, Treasurer, AMIGOS PAC, Phoenix

Paid for by AMIGOS PAC

A YES vote on Proposition 116 – the Small Business Job Creation Act – means more jobs for Arizona.

As an Arizona employer and chairman of the Arizona Manufacturers Council, I hear from employers that Arizona’s annual tax on equipment and machinery is holding back businesses from growing and employing more Arizonans. This annual tax is owed even before a company makes its first sale and even if the company is unprofitable.

A YES vote on Proposition 116 will eliminate this tax on equipment and machinery equal to the annual average wage of 50 Arizona workers. This means companies can more readily afford to buy new equipment, and equally important, hire the people to operate this new equipment.

Because most other states do not tax equipment and machinery as Arizona does, a YES vote on Proposition 116 will act as an incentive for companies to move or expand in Arizona.

Please join me in voting YES on Proposition 116, the Small Business Jobs Creation Act, and please join the Arizona Manufacturers Council in encouraging others to vote YES on Proposition 116.

Proposition 116 means more jobs for Arizona.

Steve Macias, Phoenix

Paid for by Vote YES on 116 Committee

Vote YES on 116

One of my long-term goals as a state legislator has been to rollback the self-defeating equipment and machinery tax that makes it harder for small businesses to expand and hire more workers. That’s why I urge all Arizona voters looking to strengthen our economic recovery to vote “yes” on Proposition 116, the Small Business Job Creation Act.

Proposition 116 will immediately create new jobs in capital-intensive sectors like manufacturing, hi-tech and the biosciences. Such investment will help diversify our economy and stabilize and bolster revenues that fund critical education budgets and social service programs.

Spelling, grammar and punctuation were reproduced as submitted in the “for” and “against” arguments.

General Election ~ November 6, 2012

The equipment and machinery tax is mostly paid by small businesses and unlike income taxes, must be paid regardless of how good or bad a year the employer had. It's a tax liability owed before a single product is manufactured or sold. It's essentially a punishment on business owners for investing in the growth of their enterprises and creating more high-paying jobs for Arizonans.

I am proud to have sponsored legislation nearly identical to the Small Business Job Creation Act and was eager to join the unanimous bipartisan coalition that supported putting Proposition 116 on the ballot. Proposition 116 deserves to be supported by Democrats, Republicans and independents alike.

Please join me in voting "yes" on Proposition 116.

Chad Campbell, State Representative, Minority Leader, Arizona House of Representatives, Phoenix

Paid for by Vote YES on 116 Committee

Voting for the Small Business Job Creation Act – Prop 116 – is critical to job creation in Arizona. I believe that my company will be able to hire more people if Prop 116 is approved by Arizona voters. That is why I'm voting YES on Prop 116 and hope you will too.

Every year, our company is charged a tax on the equipment and machinery we use. We pay this tax annually even though we already paid a sales tax when we purchased the equipment. This tax must be paid whether we actually sell anything or make a profit.

Arizona is one of the few states with this kind of tax, because other states know that annually taxing equipment and machinery kills jobs.

Please vote YES on Proposition 116, so my firm and others like it can hire more Arizonans.

Alan Heywood, Mesa

Paid for by Vote YES on 116 Committee

ARGUMENTS "AGAINST" PROPOSITION 116

There were no arguments "against" Proposition 116.



PROPOSITION 116 ~ BALLOT FORMAT



PROPOSITION 116

PROPOSED AMENDMENT TO THE CONSTITUTION BY THE LEGISLATURE RELATING TO PROPERTY TAX EXEMPTIONS [SCR 1012]

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| <p>PROPOSITION 116 PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, SECTION 2, CONSTITUTION OF ARIZONA; RELATING TO PROPERTY TAX EXEMPTIONS.</p> |
| <p>DESCRIPTIVE TITLE SETS THE AMOUNT EXEMPT FROM ANNUAL TAXES ON BUSINESS EQUIPMENT AND MACHINERY PURCHASED AFTER 2012 TO AN AMOUNT EQUAL TO THE COMBINED EARNINGS OF 50 ARIZONA WORKERS.</p> |

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| <p>A “yes” vote shall have the effect of setting the amount exempt from annual taxes on business equipment and machinery purchased after 2012 to an amount equal to the combined earnings of 50 Arizona workers.</p> | <p>YES <input type="checkbox"/></p> |
| <p>A “no” vote shall have the effect of keeping current constitutional law related to annual taxes on business equipment and machinery.</p> | <p>NO <input type="checkbox"/></p> |

BALLOT FORMAT FOR PROPOSITION 116