

NFIB® Arizona News

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FOR IMMEDIATE RELEASE

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NFIB Poll: Arizona small business owners rejecting Proposition 100

Seven in 10 entrepreneurs saying 'No' to 1¢ sales tax increase

PHOENIX, Ariz., Feb. 25, 2010 – Results from a special poll of Arizona small business owners released today by their leading representative association show 71 percent of them voting ‘No’ on Proposition 100, the May 18 ballot referendum seeking a three-year, 1¢ increase in the state sales tax.

“The response to this special survey of our members on Proposition 100 came back fast and emphatic,” said Farrell Quinlan, Arizona state director for the National Federation of Independent Business, Arizona’s and America’s leading small business association. “NFIB/Arizona is actively exploring how our organization and members can be most effective in the campaign to defeat Proposition 100. Small business owners’ opposition to increasing the sales tax is overwhelming and their voice will be heard during the statewide debate over raising our taxes.”

Unique among most associations, NFIB bases its legislative lobbying positions and political action solely on what its members tell it, through regular balloting, are the issues vital to their survival as small business owners. The special ballot on Proposition 100 was faxed and e-mailed February 17-19.

“In conversations I’ve had with many of our members, there seems to be an over-arching attitude that they spend their daily lives balancing revenues with expenditures so they expect state government to do the same,” said Quinlan. “Arizona is not an under-taxed state. We have the fifth-highest sales-tax burden in the nation. The average Arizonan annually pays \$1,440.83 in sales taxes, which is 43 percent above the national average. Add to this income taxes and the new state property tax we all pay and Arizonans are indignant that the state must make do with what it has.”

Should Proposition 100, adding 1-cent to the state sales tax rate for 3 years, be passed into law?

Yes	24.8%
No	70.6%
Undecided	4.6%

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NFIB is the nation’s leading small business association, with offices in Washington, D.C. and all 50 state capitals. Founded in 1943 as a nonprofit, nonpartisan organization, NFIB gives small and independent business owners a voice in shaping the public policy issues that affect their business. NFIB’s powerful network of grassroots activists send their views directly to state and federal lawmakers through our unique member-only ballot, thus playing a critical role in supporting America’s free enterprise system. NFIB’s mission is to promote and protect the right of our members to own, operate and grow their businesses. More information is available online at www.NFIB.com/newsroom.

www.nfib.com

URGENT SPECIAL BALLOT

Please complete and
fax back this ballot to

(XXX) XXX-XXXX

Special Fax Ballot to Determine NFIB/Arizona's Position on
Proposition 100 on the May 18, 2010 Special Election Ballot

'Yes' or 'No' on 3-Year 1¢ Sales Tax Increase?

What is Proposition 100? On Tuesday, May 18, 2010, Arizonans will vote at a statewide special election on a referendum to temporarily raise the state sales tax by 1 percent on top of the state's current 5.6 percent rate to help balance the State of Arizona's General Fund budget. According to the language of the proposition, two-thirds of the net revenues derived from the tax increase will be reserved for K-12 education with the remaining third earmarked for health and human services and public safety programs. Proposition 100 states that the additional point on the sales tax will be levied and collected for only 36 months. Official estimates say Proposition 100 will collect \$2.911 billion in new tax revenue over its 3-year life.

Proponents of Proposition 100 say: The substantial drop in state revenues since the recession hit Arizona in 2007 is a significant contributor to Arizona's severe state budget deficit crisis. Sales tax revenue is down 22 percent. Personal income tax receipts are off by 38 percent and corporate income taxes have plummeted 57 percent. Moreover, the state's budget has already been cut as much as it can without seriously harming vital programs in health and human services, public safety and K-12 education. We cannot solve the state's deficit problem through spending cuts alone. Passing Proposition 100 will protect these spending programs that make up over 60 percent of the budget. Small businesses should support Proposition 100 because maintaining these spending priorities are some of the most critical components to attracting new businesses, creating jobs and helping us secure our long-term economy so Arizona can successfully compete in the global marketplace.

Opponents of Proposition 100 say: An additional penny on the state sales tax represents an 18-percent tax hike and will vault the effective sales tax rate at the register to over 10 percent in dozens of our communities. Common sense says the worst time to increase the tax burden on families and small business owners is during a deep economic recession. Raising taxes will further depress the economy by discouraging the type of economic activity that we need to jump start our economy. Our state government spends more today than it did only two years ago. Arizona families have had to cut back on their spending and do without. Too many small businesses have had to lay-off employees or worse, close their doors. Defeating Proposition 100 will send our elected leaders a clear message that state government must prioritize, economize and downsize rather than load heavier tax burdens on our citizens and small businesses.

1. Should Proposition 100, adding 1-cent to the state sales tax rate for 3 years, be passed into law?

Yes-24.8%

No-70.6%

Undecided-4.6%

2. Should NFIB/Arizona become involved in this issue based on the results of this ballot?

Yes-72.4%

No-10.6%

Undecided-17.1%

Please Fax Your Response Toll-Free to (XXX) XXX-XXXX Immediately!