



News Release

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CONTACT: Steve Voeller: (602) 346-5061

Transportation Advocates Sue Citing Accurate Information

TIME tax supporters hope to delete "17.8%" tax increase from ballot summary

Phoenix, AZ – Steve Voeller, president of the Arizona Free Enterprise Club, today voiced support for the Arizona Legislative Council’s adopted ballot description of the TIME (Transportation and Infrastructure Moving Arizona’s Economy) initiative. The initiative, which raises the state sales tax rate from 5.6 percent to 6.6 percent—a 17.8 percent increase, funds transportation, wildlife, and beautification projects.

The tax increase would total \$1.4 billion a year and would be the largest tax increase in Arizona history.

“This is straight from the ‘You Gotta Be Kidding Me’ file,” Voeller said. **“It’s not often that lawsuits are filed over information that plaintiffs concede is accurate.”**

Backers of the TIME initiative oppose the description approved by the Legislative Council because the language mentions the proposed 17.8 percent increase in the state sales tax rate. According to news accounts, TIME supporters had hoped to refer to the tax as a penny on the dollar even though they concede the 17.8 percent figure is accurate.

TIME proponents are also protesting the fact that the tax increase is mentioned before the list of projects the tax is proposed to fund.

“I don’t know if this is the purest definition of a ‘frivolous lawsuit’, but it does point out what proponents of this major tax increase will do to try to pass their initiative.”

“They want to hide the facts.”

The actual language approved by the Council reads:

Beginning in January 2010, Proposition ____ would increase various taxes for thirty years. The transaction privilege tax ("sales tax") and the use tax would be increased from 5.6 cents per one dollar to 6.6 cents per one dollar (a 17.8% tax increase).

Additionally, the mining severance tax would be increased from 2.5 cents per one dollar to 3.5 cents per one dollar (a 40% tax increase).

"You could not craft a more accurate description than that," Voeller concluded. "Next thing you know they'll want to strip all references to bike paths, walkways, enhancement projects, and other earmarks in the bill, and just say the tax 'finishes the freeways.'"

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