

June 12, 1959

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ARIZONA ATTORNEY GENERAL

James D. Goddard
Major, USAF
Staff Judge Advocate
Headquarters
4530th Combat Crew Training Wing (Tac Ftr)
United States Air Force
Williams Air Force Base
Arizona

Dear Major Goddard:

Receipt is acknowledged of your letter of June 4, 1959, regarding the new Education Excise Tax enacted by the Legislature of the State of Arizona in its last session.

In answer to your first question, it is the opinion of this office that the Education Excise Tax is a new tax which is separate and distinct from the existing Transaction Privilege Tax and existing Use Tax. It is called by an entirely different name; it is used for different purposes, and it is not portioned out to the welfare department and the cities and counties as are the other taxes.

While it is a new tax, in operation, its effect is only to increase the present transaction privilege tax and present use tax 50 per cent of the rate previously imposed. Section 42-1361, as added by the Laws of 1959, in the creation of this new tax specifically says:

"§42-1361. Levy of Tax

A. There is levied and shall be collected by the commission an annual tax:

1. On the privilege of doing business in this state, measured by the amount or volume of business transacted by persons on account of their business activities, and in the amounts to be determined by the application, against values, gross proceeds of sales, or gross income, as the case may be, in accordance with the provisions and schedules as set forth in title 42, chapter 8, article 1, at rates equal to fifty per cent of the rates imposed in said article.
2. On the storage, use or consumption in this state of tangible personal property subject to the tax prescribed

Major James D. Goddard

Page 2
June 12, 1959

by title 42, chapter 8, article 2,² and purchased on and after July 1, 1959, at a rate equal to fifty per cent of the rate imposed in said article.

B. The tax levied and collected under the terms of this article is designated as the 'education excise tax.'

Therefore, it is the opinion of this office that the existing governmental exemption of fifty per cent would apply to this new tax and that any questions your procurement office might have should be decided on the same basis as before, except that the total rate to be paid on purchases or use will be 50 per cent higher.

Do you have any further questions, please contact this office and we will try to be of assistance to you.

Very truly yours,

WADE CHURCH
The Attorney General

STANLEY Z. GOODFARB
Assistant Attorney General

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