



# KEEPING ARIZONA SAFE, STRONG AND PROSPEROUS

## Smart Tax Relief for Arizonans

To expand Arizona's prosperity, Governor Janet Napolitano's \$100 million in tax relief to strengthen our economy and invest in new technologies that will create the jobs of the future.

In 2005, the state invested in Arizona's private sector through tax relief measures including the angel investor's tax credit, sales factor and business property tax relief. These measures are helping Arizona attract high value jobs and helping businesses develop new ideas, products and services.

This year, Governor Napolitano continues to provide relief to Arizona families by focusing on everyday costs such as health care, gasoline and school supplies.

### Small Business Health Care

There are a million Arizonans who do not have health insurance. One quarter of the uninsured work in very small businesses – those with fewer than 25 employees – where the high cost of health insurance forces too many business owners to choose between providing health care or providing jobs.

The Governor's small business health care tax relief proposal includes:

- A "thank you" credit for small businesses (2 to 25 employees) that currently provide health insurance;
- An incentive credit for businesses that add health insurance for employees; and
- A health insurance premium subsidy for low-income workers.

### Sales Tax Holiday

To help offset the 'back to school' sticker shock that parents know so well, the Governor proposes a three-day sales tax 'holiday.'

- No sales tax on purchases of clothing up to a limit of \$100 per item.
- No sales tax on purchases of up to \$50 in school supplies
- No sales tax on purchases of up to \$1000 in computer equipment.

### Vehicle License Tax Relief

When gasoline prices went through the roof last year, Arizona families were hit as hard as anyone in the nation. Governor Napolitano proposes to cut Arizona's vehicle license tax in a way that rewards drivers who choose to conserve fuel. The better mileage a car or truck gets, the bigger the cut in the license fee.

Governor Napolitano believes the state budget should be managed the same way a family must handle its finances: by paying off debts, investing in initiatives that provide long-term payoff, and by saving for a rainy day.



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Governor Janet Napolitano  
2006 State of the State Address  
January 9, 2006