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House wants property tax gone for good

By Howard Fischer

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PHOENIX — The state House voted Tuesday to permanently repeal Arizona's only statewide property tax, even as legislators struggle to balance the budget.

The 32-28 vote, largely along party lines, came over Democratic objections that the funds, while not currently being collected, likely will be needed in future years.

The property-tax levy was suspended for three years in 2006, as lawmakers saw more money coming in than needed, with automatic reinstatement programs for 2009.

Rep. Tom Prezelski, D-Tucson, called permanent elimination of the tax "irresponsible," given the need for state services.

Rep. Pete Rios, D-Dudleyville, said it reflects the philosophy of Republicans who see government as the enemy and want to "starve the beast."

But House Speaker Jim Weiers, R-Phoenix, said it's wrong to suggest eliminating the tax — and its potential \$250 million in revenues — actually would shrink state spending.

"Starving the beast?" he asked. "Not quite. Just put it on a diet."

Republicans said failure to act would result in a massive tax increase. The property bill on a \$250,000 home would increase by about \$112 a year if the levy returns.

If the bill gains similar approval in the Senate, where it now heads, it could set the stage for the second veto of the session by Gov. Janet Napolitano, who also has called the move to repeal the bill now "irresponsible."

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