



#13 Half-Cent Sales Tax
(Navajo County)

Proposal:

Increase current levy authority for the smaller fourteen counties to levy a sales tax from one-half cent per dollar to one-cent per dollar by a unanimous vote of the board of supervisors.

Background:

Currently, Arizona counties are allowed to levy a sales tax of up to one-half cent per dollar, except Maricopa County. Most counties, except Pima County, have levied the sales-tax via a unanimous vote of their board. Of those enacting the measure, all the counties have enacted the full one-half cent amount except for Mohave County, which levied a one-quarter of one cent sales tax per dollar.

The effect of the economic downturn on county revenues and the impacts from administrative responsibilities shifted to the counties over the last five years has created a situation that cannot be sustained at current revenue levels for some, if not most, counties.

Property tax values continue to decline across many counties, while increased costs in various aspects of county government and employee related expenses point to the need for increased revenue options for counties that are facing untenable fiscal constraints on their budgets.

The shift of responsibilities, the reduction in current resources due to the Great Recession, and the constitutional levy limits on property taxes force counties to seek additional revenue via the sales tax at the county level.

This proposal would give a board of supervisors the authority to levy the sales tax of up to one-full-cent per dollar.

Fiscal Impact:

The fiscal impact will vary from county to county based on multiple factors. There is no discernible state budgetary impact.