

**Arguments Submitted “Against” I-17-2018**

As a small business owner and CPA, I believe that Prop XXX will devastate small businesses and entrepreneurs in our state.

Doubling the top two rates to 9% will severely limit small businesses’ ability to reinvest in their operations, hire people, and expand. It also puts us at a competitive disadvantage to larger corporations that are taxed at a flat 4.9 percent. Why should small business pay twice as much as big corporations?

Also, because of Arizona’s Voter Protection Act, this initiative would prohibit future changes or improvements to our income tax code. In other words, Arizona will never again be able to lower or change our income tax rates.

My small business owner clients will have no way to avoid this damaging tax increase. We are not politically-connected, and we don’t have the power to hire lobbyists to work the Legislature for special tax breaks. Instead, hardworking entrepreneurs will be stuck footing the bill for a poorly crafted measure that will irreparably harm Arizona's economy.

Support Small Businesses by Voting NO on Prop XXX!

**Ron Elwood, Florence**

***Sponsored by AZ SMALL BUSINESSES AGAINST I-17-2018***

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Prop XXX will wreak havoc on Arizona’s economy. The proposal adds a top tier income tax bracket of 9 percent, which nearly doubles the current top rate of 4.54 percent. This radical increase would give Arizona the 5th highest income tax rate in the nation, trailing only California, Hawaii, Oregon and Minnesota.

Joining the ranks of the high-income tax states would be a decision that Arizona would quickly come to regret. The evidence is overwhelming—states with a low or no income tax consistently outperform high-tax states in job creation and economic growth.

It is why for decades Americans have been voting with their feet and moving to states like Arizona with a favorable tax climate. On net, nearly 1,000 people a day are migrating to low income tax states, while the same number is exiting high tax states. If this initiative passes, we should expect entrepreneurs, high earners and employers to take their jobs and investments elsewhere.

To justify their crushing tax hike, proponents are promising that the approximately \$700 million in anticipated new revenue from the tax will go toward K-12 funding. Of course, the initiative doesn’t include any language that ensures the money will make it into the classroom, nor does it include any reforms to improve outcomes or parental satisfaction.

The impact of the largest tax increase in Arizona history would be catastrophic. It will kill jobs, punish small business owners and send families fleeing to other states. The proponents of this measure might think they are being clever by linking two politically attractive targets—school funding and taxing the “rich”—but we are confident that voters will see through their ploy and reject this divisive initiative if it reaches the ballot. VOTE NO on Prop XXX!

**Scot Mussi, President, Arizona Free Enterprise Club, Gilbert**

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I am 100% against Proposition XXX. As a small business owner, this tax increase will impact my business bottom line and ability to continue work in Arizona. The nearly doubled Arizona tax rate of 9% on my business will drive myself and many other business owners, large and small out of Arizona. Businesses leaving Arizona will take with them many jobs and state taxes will go to more affordable states, weakening Arizona's economy and education. In addition to small businesses, the middle class taxpayers will see a \$200 million (approx.) tax increase. Please consider my argument against Proposition XXX and save Arizona's small businesses, economy and education system.

**Mark Levenda, Small Business Owner, Mesa**

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Against Proposition XXX

As a small business owner this proposition will increase my state income taxes of 4.56% to almost double that amount – 9%! There is a VERY real possibility that I would not be able to keep my doors open. Will I be able to increase my prices to absorb this increase and keep my customers – I don't think so!!

Because of the back room dealings and drafting of this proposition there is no accountability language on how the money will be spent – will it even make it to the classroom? There are no requirements that the money even make it there.

This proposition will also lock in the income tax rate meaning that income taxes will NEVER BE ABLE TO GO DOWN! There are four states ahead of us in income tax rates - California, Oregon, Minnesota and Hawaii – if this proposition passes.

I don't know about you, but the ambiguity (the quality of being open to more than one interpretation; inexactness) of this proposition is not worth the risk.

**Vilinda Smaltz, Surprise**

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AGAINST PROPOSITION XXX

This proposition was pushed through by striking teachers holding parents and students hostage. Parents of youngsters were forced to find sitters or daycare or had to stay home from work to care for their children themselves.

Older students graduated with questionable completion of required study outlines.

As with most hasty governmental decisions, loopholes will be taken advantage with no requirements for taxes to be spent in the classroom. This proposition lacks any accountability and will incur irreversible collateral damage to our state tax system.

This poorly drafted proposition will place Arizona as the fifth highest taxed state in the nation, taxed higher than New York, New Jersey and the other east coast cities.

Vote NO on Proposition XXX it will have negative effects on Arizona's economic recovery.

### **Eric Smaltz, Surprise**

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No Accountability, No Money!

None of the money from this tax is required to be spent in the classroom. A majority of Arizonans were fooled into voting for Prop 123 in the past with promises of "helping the students and education" -- but without accountability for where the money was to be spent. The latest crises that were introduced by protests and claims by most teachers that they had seen no raises or increases in money toward their salaries and classroom are proof enough that there MUST be a requirement to eliminate loopholes and assure accountability before the money-hungry School administrators, lobbyists, and lawyers are allowed to allocate money toward their own salaries and pet projects. PLEASE VOTE NO AND INSIST ON ACCOUNTABILITY IN FUTURE INITIATIVES!!!

### **Joseph Junker, Scottsdale**

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Please vote NO on Prop XXX. Arizona teachers just got a 20% raise from the legislature, in addition to money from prop 123.

This initiative will raise Arizona's income tax rate by nearly double to 9%, making Arizona the 5th highest income tax state in the Country, trailing only California, Hawaii, Oregon and Minnesota.

This tax would also become the largest permanent tax increase in Arizona history!

This is an unfair tax. The top tax rate for small businesses would go to 9% while Corporations only pay 4.9%. This would force small businesses, new investments and jobs to lower tax, or no tax states like Nevada. Statistics show states with low or no income taxes have consistently outperformed high tax states in job creation and economic growth.

This initiative was poorly drafted with many loopholes. It does not contain any reforms or accountability on how money would be spent. There is no requirement that this new money be spent in the classroom.

This initiative is billed as a tax increase on higher earners, but that is not true. This initiative will increase taxes on low and middle earners to the tune of \$200 million dollars because it will

preclude the legislature from fixing problems in the federal tax cut such as elimination of the SALT, Mortgage interest, and pass through business deductions.

This radical initiative will derail Arizona's great economic recovery and force it into a downward spiral for jobs and new business.

This initiative, written and backed by special interests, out of state money, and Labor Unions, is not going to put more money in the class rooms, and will not improve Arizona K-12 education.

Please vote no on Prop XXX. It's a Trojan Horse.

**Joy Staveley, President and Co Owner, Canyoneers, Inc., Flagstaff**

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I oppose this income tax proposal because it is unfair. The Arizona Constitution established the public-school system, and a small minority of Arizonans will be required to pay for them. That is punitive and unfair.

None of the revenue from the tax in Proposition XXX is even required to be spent on classroom teaching. The same school management will be able to spend on more administrative fat. Oppose Proposition XXX.

**Joe Cobb, Glendale**

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Keep Arizona Growing! - Vote Against Prop I-17-2018

Proposition I-17-2018 will drive small business owners out of Arizona and keep larger corporations from setting up headquarters/operations in our great state.

As a former corporate executive, I have been part of the decision-making process on where to set up new operations and service centers. A key variable in selecting a location was the current and future tax environment. States with high taxes or recent tax activism on individuals or businesses are to be avoided. Why? Tax activism creates future cost uncertainties which are beyond the control of the company. This risk affects the companies' competitiveness with firms in low tax states and makes it difficult to attract hi-tech/skill talent.

Two years ago, I left my corporate role to start up a consulting company in Arizona. As a small, locally owned, two-person LLC I find it incredible that I may have to pay 5% more taxes than large out of state consulting firms (9% versus 4.6%). This will impact my ability to compete and reduce my incentive to hire Arizona staff.

Why would anyone in a professional services role (ie attorneys, doctors, accountants) or new entrepreneurs want to set up a business in Arizona if they get punished for growing and success makes them less competitive to big corporations based outside of our state.

The path to addressing our education issues is not a punitive tax that hurts our citizens and handicaps my (our) children's' ability to work and thrive in Arizona.

**William Luhrs III, President, Executive Scorecard Partners, LLC, Scottsdale**

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Small business owners would be hurt by the Prop XXX tax increases.

Our economy would be hurt by Prop XXX's job-killing tax hikes on entrepreneurs.

Corporate tax rates would actually be lower than small business tax rates under Prop XXX!

Initiatives in Arizona become permanent law and cannot be fixed by the Legislature.

Arizona ballot propositions have often turned out to have unintended consequences.

Legislation was already passed in May to spend a billion new dollars and give teachers a 20-percent pay increase.

Income tax rates at the top end in Arizona would be doubled to 9 percent by Prop XXX, giving us the fifth highest personal income tax rates in the country.

States such as Texas and Nevada and Florida don't have income taxes and would get the jobs that leave Arizona after Prop XXX passes.

Minnesota, California, Hawaii and Oregon would be the only states in the country with higher personal income tax rates!

Investment in Arizona is finally coming back after the Great Recession. Prop XXX would kill it.

Slush funds for government are a bad idea. Prop XXX would give government \$700 million a year with no guarantee that the money would get into classrooms.

Because of federal tax conformity, and the elimination of exemptions, lower-income and middle-income Arizonans would see a \$200 million tax hike from Prop XXX.

All Arizonans benefit from a good education system. It would be unfair to place the entire tax burden for increased education funding on a small group of people.

Districts in Arizona under Prop XXX would reclassify school support staffers (including counselors, nurses, social workers, librarians, food servers, bus drivers, and maintenance workers) as teachers eligible for higher pay. That would increase costs without improving education.

**Tom Jenney, Phoenix**

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We are against the Invest for Education Act (1-17-2018) because we are concerned about much higher taxes in Arizona. The Initiative, if passed, would almost double Arizonans' income tax rates to 9%; we Arizonans would suffer with the 5th highest state income taxes in the United States. This tax increase would be permanent and our taxes would not go down. We Arizonans want investment in our state; we want small businesses to thrive here. This initiative would disrupt job creation; it would kill small businesses and investment would go to other states. Our top tax rate for small business would be 9%! The top corporate rate would be 4.9%! Low and middle income taxpayers will pay a \$200 million dollars in more income taxes. The initiative is full of loopholes so that none of the money is required to be spent in the classroom and the initiative does not include accountability language on how much money will be spent. This initiative was drafted in secret and is backed by special interest groups and labor unions. There should be a better way to help our schools...but this is not it.

**Dwight and Andrea Kadar, Sedona and Dwight Kadar, Sedona**  
*Sponsored by Dwight and Andrea Kadar*

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The so-called “Invest in Education Act” is, bluntly, a sham. It’s being touted as a grassroots means to generate money for Arizona’s teachers. In reality, it’s being funded by wealthy California interests whose primary desire is to damage Arizona’s already fragile economy. Consider: the act actually provides LESS money to teachers than what was already appropriated by the Legislature just a few months ago. Additionally, it relies on the most volatile and regressive of revenue streams: the income tax.

If this measure passes, not only would Arizona have one of the least competitive tax codes in the country, it would actually prohibit decreasing income taxes for teachers ever again. It would also cause irreparable damage to Arizona’s small businesses, driving entrepreneurs to states with a more friendly and consistent tax code.

Simply put, this measure is bad for teachers, families, small business owners and our economy as a whole. It would, however, be a boon to Californians – they’d finally have a neighbor with a worse economy than theirs.

**Victor Riches, President, Goldwater Institute, Phoenix**

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Never has there been a tax proposal in Arizona that would be so damaging to the economy and yet raise so little in revenues. Doubling Arizona’s income tax rates on small businesses and wealthy filers would put Arizona in the Top 5 highest tax rates in in the country.

And for what? Proponents guess that it might add \$600+M in revenues; while admitting they conducted no analysis for dynamic revenue impacts. After adjusting for filers who will shelter income in other states and the impact on the economy overall, the total revenue gain will be well short of proponent’s estimates.

Worse yet, this tax increase WILL NOT RAISE BASE TEACHER PAY. It can't. Base pay must come from revenues schools can rely on. This funding source will fluctuate with the economy and will be paid out in stipends at the end of the semester.

Funding public schools is a mandatory requirement of the State and the financial burden should be an obligation of all Arizonans. Isolating teacher pay raises on small businesses and wealthy filers is awful public policy and should be rejected.

Put simply, Arizona cannot afford to have income tax rates similar to New York and California. Arizona cannot afford a tax increase that punishes small businesses and yet won't markedly change the funding of our public schools.

Arizona's competitive individual income tax rates have served Arizona well and helped drive economic growth in our state. Will Arizona continue to be a destination location if these rates were to be adopted? Will businesses continue to flourish? Is the juice worth the squeeze? Join us in voting No on this Act.

**Kevin McCarthy, President, Arizona Tax Research Association, Phoenix**

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The Greater Phoenix Chamber opposes the "Invest in Education Act."

This initiative would raise the income tax rate on incomes over \$250,000 (individuals) and \$500,000 (households). The Invest in Education Act would double Arizona's income tax. This would move Arizona from one of the lowest income tax rates in the country to ranking fifth highest in the nation.

Proponents of the measure developed the initiative without consultation from businesses. This is not the way to build productive public policy. When leaders from the business community reached out with concerns regarding the initiative's impact on business, there were no answers. There is still a lack of details on several items including:

- Negative repercussions on small business.
- Revenue projections and volatility of the tax collections.
- Rationale for doubling the income tax rates.
- Lack of information regarding how the new revenue streams would interact with increased funding provided to schools in the legislative session.
- Exclusion of higher education.
- How additional revenue will support higher academic achievement.

Our largest concern is that this "soak the rich" proposal will result in significant tax hikes for small businesses that pay taxes through the individual income tax. Arizona made significant strides in economic growth since the great recession. Small businesses are Arizona's core DNA, creating hundreds of thousands of jobs. This initiative will significantly harm continued efforts to grow our economy.

The conversation of increased education funding is not over, however, this hasty initiative doesn't evaluate education funding in a holistic manner and does not provide a solution that will move us forward. This why it is so important that education funding be developed in a responsible manner that consults with all stakeholders.

On behalf of our 2,400 business members and their employees, we urge you to vote NO.

**Todd Sanders, President & CEO, Greater Phoenix Chamber, Phoenix**  
*Sponsored by Greater Phoenix Chamber*

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#### CREED OPPOSED TO PROP XXX

Commercial Real-estate Executives for Economic Development (CREED) which is a consortium of property owners across multiple sectors that represent 5,000+ small business tenants and 70M+ square feet of Arizona property, is OPPOSED to the so-called "Invest in Education" Proposition for the following key reasons:

1. It would nearly DOUBLE Arizona's income tax rate to 9% which would make our State the 5th highest income tax rate in the country and be the LARGEST permanent tax increase in Arizona history which will HARM our continued economic recovery;
2. The tax increase is UNFAIR for small business owners who file as individuals as the top rate is 9% while the top corporate income tax rate is 4.9%. This will harm small business job creation and drive these jobs and capital investments to other states like Texas; and
3. Will NOT accomplish getting more money in the classroom as the proposition is POORLY drafted and includes NO reforms or accountability on how YOUR tax money will be spent.

PLEASE OPPOSE THE SO-CALLED "INVEST IN EDUCATION ACT" AS IT DOES NOT ACCOMPLISH EFFECTIVE INVESTMENT; IS UNFAIR TO SMALL BUSINESSES; AND WILL HARM OUR STATE ECONOMY ALONG WITH JOB CREATION.

**Timothy Lawless, President, CREED, Phoenix**

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The Arizona Chamber of Commerce and Industry strongly urges you to vote no on Proposition XXX.

The proponents of the initiative claim their plan will help teachers. It won't. In fact, by tying teacher pay to highly volatile tax brackets, we would be placing their funding at tremendous risk. Teachers and staff would have no assurance that compensation from this source would be available year to year or business cycle to business cycle.

Arizona businesses value teachers. They are preparing our most precious resource for our shared future. They have earned the recently approved 20 percent raise. We all want to improve teacher pay, but this is the wrong way to go about it.

If it were to pass, Arizona's highest income tax rate would go to a whopping 9 percent – much higher than other states in our region – nearly doubling our current rate. Only California's income tax would be higher. Arizona would have the nation's fifth-highest income tax, with a higher top income tax rate than even New York and Washington, D.C.

Arizona's thriving economy is no accident. It is the result of public policy decisions that have built Arizona's competitiveness and sustained job growth.

But if Proposition XXX passes, it will do tremendous damage to our economy, especially small businesses. Because many small business owners file their business taxes through pass-through entities accounted for in the personal income tax code, they'll be hit hard. Arizona has boasted high rates of entrepreneurial activity for years compared to other states. But this initiative will mean reduced growth for existing small businesses, and fewer new small businesses. The opportunity for Arizona's small businesses to grow from within will be severely jeopardized.

We urge you to vote no on Proposition XXX. It will hurt teachers and hurt small businesses.

**Glenn Hamer, President and CEO, Arizona Chamber of Commerce & Industry, Phoenix**  
*Sponsored by Arizona Chamber of Commerce*

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Proposition XXX is not good for the people of Arizona or our economy. Supporters claim that it's worthy of your vote, but if you check the details, it's only worthy of a NO vote. The devil is in the details, and here are some of them.

The higher income tax would be permanent. It could only be changed by another voter referendum, which is a very difficult thing to accomplish. In other words, the tax would likely never go away. It would be the biggest permanent tax increase in AZ history. When it comes to taxes, bigger is NOT better! Higher income taxes would punish people who work hard and are productive. We should be encouraging hard work and productivity, not punishing it with high taxes.

Proposition XXX supposedly would generate more money for classrooms but, if you look carefully at the proposition's language, more money for classrooms is not guaranteed. There are loopholes and no accountability about how the money will actually be spent. You know that government has a way of spending whatever money it gets, and it's not always in the right way. Why would we want to overfill the gravy train?

The tax will not just impact "rich people." It will affect owners of small businesses, people who make a living from their small business and support their families. Small businesses employ others and provide needed goods and services to all of us. If their taxes increase, they pass the costs on to their customers. We are their customers and all of us will end up paying the price of the higher taxes. How is that a good thing?

The details of Proposition XXX are there, and a NO vote is good for the people of Arizona .

## **Richard Rutkowski, Fountain Hills**

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NAIOP Arizona, the commercial real estate association, strongly supports the goal of increasing funding for public education. Our industry relies on continued robust economic growth, and a strong education system is an important factor in attracting new businesses to Arizona.

However, NAIOP Arizona opposes the proposed “Invest in Education Act” because it would be a step in the wrong direction for Arizona’s economic prospects. This ballot initiative attempts to provide additional funding for education by imposing a massive income tax increase on a few wealthy state residents.

Even more concerning is the impact this act would have on small businesses, most of which are S Corps or LLCs, which file taxes under the individual income tax code. According to the U.S. Census Bureau, Arizona small businesses employ 1 million people or 44.5 percent of the private workforce. These small businesses would be put at a disadvantage relative to larger corporations whose income tax rates would remain unchanged.

This is uncharted territory, as no state has doubled its individual income tax rate overnight. Arizona would go from having the 38th highest top income tax rate in the nation to having the fifth highest, putting it ahead of high-tax locations like New York and Washington, D.C. This policy would drive high-income earners and small businesses out of Arizona.

Arizona gets about a third of its income tax revenue from approximately 3 percent of filers. Driving them out of state would have serious consequences for education, and everything else the state does.

It’s crucial to increase teacher pay. That’s why NAIOP and other leaders of the business community supported Gov. Doug Ducey’s proposal to give educators a net pay increase of 20 percent by the year 2020. We remain committed to identifying additional, sustainable funding sources for teacher salaries and other educational needs.

## **Suzanne Kinney, President and CEO, Arizona Chapter of NAIOP, Inc., Mesa**

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Increasing Arizona Income Tax Rates is a double down against taxpayers for the sole benefit of the Education Lobby. Local School Boards and Teachers frequently support bond issues in Non-Federal Election Years when voter turnout is very low. Consequently, our real estate taxes increase accordingly. Don't let this happen again Go to the Polls and Vote No on the Invest in Education Act. Teachers compensation and education expenses need to be re-evaluated in a comprehensive study that takes into consideration basic pay, pension and health benefits, days on the job (approximately 180 per year) and most important, results achieved by their students, as well as legitimate administrative needs. Alternative education options should also be considered such as consolidating school districts and expanding successful charter schools.

## **Gordon Briggs, Phoenix**

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As chairman of the Education Committee of the State Senate, I have voted for record increases in funding for K-12 education each of the last three years due to the fact that Arizona's economy is thriving and growing. Proposition XXX would do a terrible disservice to the hard working small businesses in our state by increasing their income tax to 9%, harming their ability to create jobs and contribute to the state economy. These small business owners, who are your neighbors and mine, already struggle with excessive government regulations, including the minimum wage increasing again next year. None of these new tax generated dollars are required to go into the classroom. There is no accountability on School Boards or Administrators. The argument that this would create a dedicated stream of money going into education is false. Education funding depends on a healthy economy, and this tax would only harm our economy and thus reduce, rather than increase the amount of money going to education. This new tax scheme would weaken our economy and decrease tax revenues, harming all areas of government. Please join me in voting against this unnecessary and unjust tax increase.

**Sylvia Allen, Senator, Arizona Senate, Snowflake**

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This initiative was the brainchild of the Socialist Noah Karvelis and his groupies during the #Red4Ed illegal teacher strike. Teachers secured a 20% raise a months ago, but now are back asking the taxpayers for more. This "Soak the Rich" tax scheme will nearly double Arizona's income tax to 9% and will permanently lock in that income tax rate so it can never go down. If Arizona becomes the 5th highest income tax state, small business owners and other hardworking people will move out of our state and families and businesses will look elsewhere when considering calling Arizona their home. Over time, our property values will fall as will business investment and our economy will slow tremendously. This Socialist so-called education funding scheme will do nothing to improve our already failing, broken, and bloated government schools who are almost exclusively focused on social justice education sprinkled with a little algebra.

**Mrs. Kristen Williamson, Scottsdale**

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Teachers Parents Advocates United believes the "Invest in Education Act" is abusive toward hard-working, fair-minded, law-abiding tax payers and business owners in Arizona. By nearly doubling the income tax rates of a claimed "only 1% of AZ income tax payers" (or any other measurable group of people, large or small) amounts to, in one fell swoop and overnight, nothing more than the selected targeting of individual Arizona residents and families on the basis of their personal income level. This is legalized discrimination; a theoretical violation of the 5th and 14th Amendments' Equal Protection clauses in spirit, and a violation of the "Evil Eye/Heavy Handed" doctrine held by the U.S. Supreme Court case; Yick Wo v. Hopkins (118 U.S. 356, 1886), as well as several other cases since then. Using our system of self-governance to abuse certain individuals on the basis of earned income, even if the claimed intent is to provide additional funding for our public school system, is wholly unethical and immoral. Conversely, if the intent of the "Invest in Education Act" is sincere and noble in purpose with the intent to provide additional funding to ALL public schools, why have they not proposed equal tax rate increases

for all AZ income tax brackets? We urge you to vote NO on the "Invest in Education Act" for the preservation of all Arizona citizens' Liberty and Freedom from heavy-handed and abrupt changes in Arizona's income tax structure. A NO vote will allow Arizona businesses to continue flourishing which supports our education system.

**Jennifer Hill, Charles Hill, Teachers Parents Advocates United, Chandler**

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## VOTE "NO" ON PROP XXX, THE INCOME TAX INCREASE FOR EDUCATION

We all want education properly funded and teachers adequately compensated, but this huge tax increase is not wise at this time. Here are some reasons why.

- It would give Arizona the 5th largest income tax rate in the country, which would encourage many investors to move to other, more tax friendly, states, taking with them the middle class jobs they create.
- It may not be needed. We should carefully examine the outcome of recent actions aimed at increasing school funding, before adding more tax payer funds to the mix. These recently taken actions include a) making Prop 301 sales tax increase permanent, b) increasing distribution of trust land funds via Prop 123, c) the 20x2020 funding increase in our current budget.
- Currently the state spends more than 53% of its budget on education. The percentage for most counties is even higher at 63%. School funding is important, but governments are also expected to fund many other services, like law enforcement, healthcare, road repairs, infrastructure, etc.
- Arizona is not in as well off economically as we are led to believe. We still have our capitol and other state buildings heavily mortgaged, and we are doing nothing or little to reduce our state debt.
- The Napolitano-style rosy projections that we are basing our recent "structurally balanced" budgets on are very unwise. The recent upticks that we have experienced in our revenue stream may not be sustainable. When the inevitable downturn happens, proposition XXX will be like a ball and chain around our state's ankle.

PLEASE VOTE "NO" ON PROPOSITION XXX.

**Jose Borrajero, Phoenix**

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Kwok: What you need to know about Arizona's Invest in Education initiative

<https://www.azcentral.com/story/opinion/op-ed/abekwok/2018/05/14/invest-education-income-tax-ballot-initiative/592188002/>

"... it would roughly DOUBLE the Income Tax Rate on Arizonans making more than \$250k ..."

Look at what happens when you TAX THE RICH from around the USA. (Info found in just a one second search.) Only a couple of many, many news items listed due to 2018 General Election Ballot Measure Argument Portal limitation.

Millionaires Flee California After Tax Hike

<https://www.forbes.com/sites/patrickgleason/2018/07/06/millionaires-flee-california-after-tax-hike/#7acb0ed94189>

Maryland's tax increase is shameful

<http://www.baltimoresun.com/news/opinion/readersrespond/bs-ed-rr-maryland-taxes-letter-20180406-story.html>

In Maryland, Higher Taxes Chase Out Rich: Study

<https://www.cnn.com/id/48120446>

Coalition Wants More Tax Hikes on NJ'S Wealthy to Aid Low-Income Residents

<http://www.njspotlight.com/stories/18/05/25/coalition-wants-more-tax-hikes-on-nj-s-wealthy-to-aid-low-income-residents/>

The "rich" CAN MOVE (AND WILL) to a no tax TX, FL, NV or even TN; Then what you have is a TAX that brings in nothing and keeps out those that build business, hire workers or pay new School Tax.

Taxing the rich sounds good but has PROVED to bring in nothing when they JUST LEAVE!

**gus beall Jr., Lt USN Ret, AZ Voter, Phoenix**

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I don't mind the idea of more money going to what the initiative says - teachers and students. The problem is the money will not go to the teachers and students who need it. The unions and the administration will be the ones who receive it. If the teachers want more money let them get it from their administration or unions. I will not be voting for Prop XXX.

**Catherine Guglielmo, Phoenix**

***Sponsored by AZ SMALL BUSINESSES AGAINST I-17-2018***

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Taxes are too high now! I want new businesses and companies to move to Arizona to help provide jobs and spread out the tax burden. This initiative will do just the opposite. People are moving out of high-tax states and they won't be coming to Arizona. Only California, Oregon, Minnesota and Hawaii will have a higher tax rate and they are losing population as we will be.

**Jean McGrath, Sun City**

***Sponsored by AZ SMALL BUSINESSES AGAINST I-17-2018***

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I've lived in Arizona 15 years and am an active voter in support of education. I come from a state with one of the highest ratings in public school education and which has a relatively low tax rate. Arizona is indeed behind in public education; but we've seen over and over again that whenever we vote for more dollars for education; the money magically disappears and is never available for classrooms.

When you read this ballot initiative take note that there is no specific direction as to who and where the money goes .... Once again, we the citizens will pay for another pot of money which will be spent heaven knows where and the kids will still be left behind. Our schools, teachers and kids deserve accountability! Demand better and don't fall for this Tax increase. The governor has promised a 20% raise to teachers, I think we should see just how the Governor's current promise plays out before we grant access to our pocketbooks for additional money. Take note that this initiative is for a permanent tax rate increase.

**Dave Kuenzi, Mesa**

***Sponsored by AZ Small Businesses Against I-17-2018***

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I am opposed to Prop XXX because it will make Arizona's income tax the 5th highest in the nation behind California, Hawaii, Oregon and Minnesota. This will cripple small business and drive businesses and families out of the state.

**Edna Haws, Mesa**

***Sponsored by AZ SMALL BUSINESSES AGAINST I-17-2018***

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Once again, the voters are being asked to support a ballot initiative that ostensibly provides money to improve education for Arizona school children. However, nothing in this poorly drafted measure actually mandates that the money will be spent in the classroom to increase teacher pay or provide reforms to improve the level of student performance.

From an economic standpoint, nearly doubling Arizona's income tax rate to 9% on higher-income individuals and small businesses will stifle Arizona's on-going recovery and drive potential investors to other states with lower rates. Additionally, if passed Prop XXX will permanently lock in this onerous rate, making it virtually impossible to rescind in the future.

In conclusion, this ill-advised proposal is poorly crafted and written, full of loopholes regarding how the money is spent and imposes an undue tax burden on Arizona's successful individuals and small business owners. All in all, this proposed initiative deserves to be soundly rejected by voters. The power to tax is the power to destroy!

**Paul Rowe, Scottsdale**

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Increasing the income tax will have a serious negative impact on individuals and small businesses that cannot afford to pay more in taxes.

We can see that additional taxes are driving people out of California, New York, and other locations. This increase in taxes could even cause a reduction in the amount of taxes collected overall here in Arizona.

**Henry Haws, Mesa**

***Sponsored by AZ SMALL BUSINESSES AGAINST I-17-2018***

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Why Prop XXX tax hike will hurt education – NOT help it

The largest permanent tax increase in Arizona history will hit low and middle-class taxpayers with \$200 million in new taxes, not just the “wealthy.” This is a dangerous and ill-advised scheme that will saddle small business owners and taxpayers with high tax rate that cannot be reduced. This permanent tax increase was designed by radical special interests and labor unions. Forcing Arizona into the 5th highest tax rate in the U.S. is not in the best interest of taxpayers or the future of our children. Our economy is strong because we have affordable and business-friendly low tax rates. Increasing taxes without transparency and accountability is not responsible and is indicative of the tax-and-spend attitude of the proposition sponsors. This is a scheme to raise taxes without careful, thoughtful consideration of the end use of the funds and does not ensure it will even reach teachers or impact education in a positive manner. Arizona is an attractive place to live and work because we have rational tax rates. This proposal will not accomplish its stated goal and needs to be rejected to ensure our children are not burdened with a large, permanent ill-conceived tax increase.

**Robert Jamison, Black Oak Institute, Phoenix**  
***Sponsored by AZ Small Businesses Against I-17-2018***

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Passing Prop XXX would create major business problems for our state. It will put many small businesses that thrive in the state out of business. Locking in the income tax at this high rate is insane. This would also put a stop to new small business coming into our state. We are known as a state that welcomes new small businesses here. Prop XXX would ruin that. This is backed by secret and radical special groups and labor unions and not by the people. This is not well thought out or written. There is no accountability on the spending of the money. This is not for the good of the people of Arizona.

**Steven Julian, Avondale**  
***Sponsored by AZ SMALL BUSINESSES AGAINST I-17-2018***

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I am completely in favor of better funding for our AZ teachers and AZ classrooms. However, Prop XXX does not guarantee that the new tax increases will go to fund teachers and classrooms.

As for this tax increase, there is no way to know where the money will go. Because of the wording in the proposition, the money can be diverted to administrator's pay increases, school bus drivers or even new furniture in the school offices. There is no way to track the new tax money or keep the school districts accountable until after the money is wasted.

This new tax increase would make Arizona the 5th most expensive place to locate. For example, higher than New York and higher than Oregon. Also, this tax increase will double the tax rate for Arizonans. This will raise the rate from about 4.6 percent to 9 percent. As Arizona leaders are

working hard to bring new high-paying jobs to Arizona, this new tax will chase away established businesses from staying and new businesses from coming here.

A solution is needed – Prop XXX is not the answer. VOTE NO ON PROP XXX.

**Patrick Tucker, Mesa**

***Sponsored by AZ SMALL BUSINESSES AGAINST I-17-2018***

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Please vote NO on Prop XXX

As a resident of Scottsdale, I oppose this proposed tax increase from approximately 4.5% to nine percent (9.00%), a one hundred percent (100%) tax increase. This will give Arizona one of the HIGHEST state income tax rates in the USA! This will kill small businesses and drive investment and jobs to other states. Further, the specific language of this vacuous measure contains glaring loopholes, so much so, that who, or what, actually is the beneficiary of the unwarranted tax increase remains unclear due to loosely constructed language that leaves one wondering about the true intent of the measure.

**Andrea Wargo, Scottsdale**

***Sponsored by AZ Small Businesses Against I-17-2018***

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The main proponents of Prop XXX is the National Education Association.

Seven states have no state income tax at all.

Highly skilled people are leaving states with high-taxes for low-tax states.

Since the NEA has failed in its mission and have been surpassed by many local charter schools, they should not be catered to.

For these reasons I am against Prop XXX.

**Robert DeSio, Phoenix**

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Any law directed to giving money directly for classroom use should be written in such a way that school boards and superintendents have no say in the matter. Monies go directly to classroom teachers alone. Please VOTE NO on PROP XXX!

**Hoss Gardner, Mesa**

***Sponsored by AZ SMALL BUSINESSES AGAINST I-17-2018***

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I wish to voice opposition to the proposed Proposition XXX.

Upon review of the proposed proposition I find it lacks accountability on how the additional tax dollars will be spent.

The result of passing Prop XXX would be none of the proposed tax money being required to be spent in the classroom.

**Todd Hoffman, Phoenix**

***Sponsored by AZ SMALL BUSINESSES AGAINST I-17-2018***

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The Arizona Lodging & Tourism Association represents a diverse and broad alliance of businesses across the state – more than 95,000 guest rooms statewide and members, inclusive of world-class resorts, hotels, sports teams and tourism venues, airlines, attractions, arts, culture, culinary and hundreds of businesses that supply goods and services to these entities – and we stand united in opposition to Proposition XXX.

A growing economy has delivered increased business activity and visitor volume to our state, resulting in new and sustained job growth and a stronger operating environment. The proposal to double Arizona's top income tax rate would be detrimental to Arizona's economy and is disastrous public policy.

Our industry is known to embrace competition and innovation, and we recognize how much damage this initiative would do by taking Arizona's top income tax rate to 5th highest in the nation. It will diminish our ability to compete to attract vital businesses and travelers.

Becoming a high-tax state would severely harm our industry and the residents and visitors who rely on our properties, attractions, and destinations for jobs and tax revenues. Many of our lodging and tourism small businesses would end up paying higher tax rates than larger corporations.

It is common to hear stories of visitors moving to Arizona or investing in our state after experiencing our quality of life, business-friendly environment, and welcoming climate. That will change if the only state in our region with a higher top income tax rate is California.

Revenues from the tax brackets targeted by this initiative are volatile. Teachers deserve pay that they can count on. We must continue the course of strengthening teacher and staff pay with reliable, sustainable sources.

This proposal is bad for Arizona and bad for tourism. We urge you to vote NO on Proposition XXX.

**Kimberly Sabow, President & CEO, Arizona Lodging & Tourism Association, Phoenix**

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Prop XXX does not fully disclose the disbursement of the funds nor does it address reforms or accountability from the proposed tax increase. In addition to not requiring that funds be spent in the classroom, it also earmarks funds for non-teacher positions and changes the definition of teachers to include non-teaching staff. Though education is important, proposing measures to improve it that adversely affect small business will send the Arizona economy spiraling.

As a small business owner, the proposed tax increase from this initiative could potentially result in employee layoffs since many small businesses such as mine are not in a position to absorb such a costly hit. The gradual recovery from the economic recession will be derailed if this initiative is not stopped or, at the very least, fairly amended. In conclusion, any initiative suggesting that only targeted populations be required to be taxed can be deemed discriminatory and, thus, unconstitutional.

**Rachel Leffall, Maricopa**

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Read the fine print--Vote NO on Prop XXX

It is frustrating that this push for a historic income tax increase relies on voters not being informed about what they're voting for. Prop XXX takes a complex problem and makes it more complex by committing future taxpayers in perpetuity to fund education without a corresponding commitment to results and accountability.

Is it too much to ask that the people pushing this initiative would at least try to address the concerns raised by small business owners and K-12 supporters about Prop XXX? Instead, what we get is a complicated 6-page initiative that will do nothing to improve our educational system.

Before locking Arizona into a permanent tax increase that cannot be changed, please read the fine print. The backers of Prop XXX hope that their campaign of emotional appeals and class warfare soundbites will carry the day. I urge everyone to educate themselves about Prop XXX and vote NO.

**Steve Hetsler, Mesa**

*Sponsored by AZ Small Businesses Against I-17-2018*

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I moved here from New York to escape high taxes, I don't want Arizona to have the highest tax rate in the country as it will chase residents to states like Texas and Florida where there is no income tax which gives residents more of their money to spend in the community. It will also deeply affect small businesses in our State which have barely started to recover from the recession. Additionally, there is no guarantee how the money will be spent. I hope Arizonans do not move forward with Prop XXX!

**Gayla Coletto, Scottsdale**

*Sponsored by AZ SMALL BUSINESSES AGAINST I-17-2018*

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For years Arizona's system for education has been broken. Along with a broken education system, the taxpayers, parents and teachers have been political pawns. Worst of all the kids have suffered. Please vote NO on Prop XXX and join our community to save Arizona's economy.

Prop XXX is a guaranteed tax increase that will hinder future jobs and put Arizona families on the hook for \$200 million dollars.

The choice for a better Arizona is to protect our kids, teachers, and taxpayers. Join me and vote NO on Prop XXX.

**Michael Gidwani, Phoenix**

***Sponsored by AZ SMALL BUSINESSES AGAINST I-17-2018***

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I oppose this income tax proposal because it is unfair. The Arizona Constitution established the public-school system, and a small minority of Arizonans will be required to pay for them. That is punitive and unfair.

None of the revenue from the tax in Proposition XXX is even required to be spent on classroom teaching. The same school management will be able to spend on more administrative fat. Oppose Proposition XXX.

**Joe Cobb, Glendale**

***Sponsored by Joe Cobb and AZ SMALL BUSINESSES AGAINST I-17-2018***

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The initiative is purported to get money to the classroom. There is nothing in it that requires or guarantees that the funds raised go to teachers or teacher support. Please vote no on this boondoggle.

**Robby Jeanne, Chandler**

***Sponsored by AZ SMALL BUSINESSES AGAINST I-17-2018***

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Proposition XXX would be a tax burden to everyone. This ballot proposal is backed by unions and interest groups which do not have the best interest of Arizona children in mind. This proposal does not guarantee that our tax money will even be used in the classroom. Beginning with small businesses, this will force layoffs of employees and business closures. Our high school graduates will have no other option than to move from our great state for work. As businesses and high-income earners choose to relocate to tax friendlier states, Arizona's flourishing economy will suffer a disastrous end.

**Dawn Densmore, Surprise**

***Sponsored by AZ SMALL BUSINESSES AGAINST I-17-2018***

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Arizona Cannot Afford Proposition XXX

I reject the notion that because I oppose the largest tax increase in my state's history that I must be against education. To the contrary, I oppose Prop XXX on grounds that it is vague in its solutions to our problems, and I am not willing to drive out small business and entrepreneurs

from our state to fund such an endeavor. I'm not willing to take more of the income of hard working Arizonans with no guarantee that any of the money will make it to the classroom.

Saddling small businesses with one of the highest income tax rates in the country will make it harder for our children to enter the job market and find career opportunities. I refuse to accept that in order for children to be more educated, we must stifle their future opportunities, and the growth of our state as a whole. It should be our goal and obligation to keep Arizona a state where kids can live in a prosperous economic environment and avoid vague special interest initiatives such as Prop XXX.

**Keith Knight, Chandler**

*Sponsored by AZ Small Businesses Against I-17-2018*

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I am submitting an argument against the tax incentive for Education. This is an unfair and unnecessary tax that would nearly double Arizona's income tax rate to 9% and it would give Arizona the 5th highest income tax in the country. If this tax is passed it would permanently lock in Arizona's income tax rates. This tax will have a huge negative impact on the real estate industry. The tax will drive business investment in real estate to Nevada and Texas. This tax will derail Arizona's economic recovery.

In addition, there is no accountability to the money being disbursed and nothing tied to performance. Full of loopholes, none of the money from the tax is even required to be spent in our classrooms. The lack of accountability we saw with prop 123 is proof that money does not make it to the classroom. No accountability, NO MONEY! Do not turn our state into California!

**Yvonne Cahill, Scottsdale**

*Sponsored by AZ SMALL BUSINESSES AGAINST I-17-2018*

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Proposition XXX

Like many thousands of you, we fled the high taxes of progressive states. No longer burdened by that insanity we looked forward to living out our lives in this corner of the land of liberty. If this proposition is passed small businesses will be hammered crippling growth. This will cause a permanent drag on our states economy. Don't be suckered in with this foul tax increase which is completely unchangeable by our elected officials. Have faith in the process of our elected state government to reasonably address the educational funding without resorting to this scam. As thoughtful seniors we are not fooled or easily manipulated by the emotional hype. Vote no to a doubling of yearly income tax. It will cost everyone not "just the rich".

**Ronald Smith, Fountain Hills**

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This tax will put small businesses out of business or leaving the state. Why? Small businesses pay personal income tax rates on profits, as AZ is a "passed through" state, it passes through to the individual side. This means they have less to reinvest in their businesses, hire employees,

expand, etc. Whereas larger corporations are paying almost half the rate, resulting in a huge competitive advantage. Furthermore, if this proposition gets passed, it is permanent, only changeable by a ¾ majority vote of the legislature, which makes any change in the law virtually impossible. Therefore, if proven true and small businesses start to disappear in AZ, it will be too late.

**Eileen Danko, Fountain Hills**

*Sponsored by AZ SMALL BUSINESSES AGAINST I-17-2018*

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The Prop XXX-XXX tax is unfair to the hard-working business people of Arizona. It is full of loopholes, will be a job killer not a job creator and impact potential businesses that want to relocate to Arizona. Having a top tax rate of 9 percent and top corporate tax rate of nearly 5 percent is unacceptable and unthinkable. We support a strong education foundation in Arizona, but passing the largest permanent tax increase in Arizona history is not the answer. We want to see reform and accountability. Throwing more money at the problem is not a solution.

**Nancy Cottle, Mesa**

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Proposition XXX will derail the uptick in our recent economic growth. Our state cannot withstand any additional tax increases placed on the backs of small business owners. Prop XXX brands Arizona with the 5th highest income tax in the country. Drafting Prop XXX behind closed doors by groups backed by radical special interest groups and labor unions is not the way to fund our schools nor is the example or precedent we want to set for our kids.

**Les Sawdy, Mesa**

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Arizona does not need to become California but with Prop XXX we are on our way. Arizona will have the 5th highest income tax state in the country with the passage of Prop XXX. Also know that it will be permanent, and you will be stuck with the higher tax because with Prop XXX it will be locked in and cannot be changed. Just think of those people that are fleeing the high-tax state of California, will they come to Arizona or just pass on through our state taking potential jobs and opportunity with them? Unlike gasoline taxes that go up and then go down this tax will stay at the higher rate. This will be a real hardship on Arizona families and will especially harm small businesses. Vote NO on Prop XXX to Protect Arizona.

**Vera Anderson, Phoenix**

*Sponsored by AZ SMALL BUSINESSES AGAINST I-17-2018*

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Proposition XXX

I encourage you, my fellow Arizona citizens, to vote against Proposition XXX.

I proudly attended public school here in Arizona, as did my wife, 3 children, 2 brothers, their spouses and their children. I support public education!

I am more grateful for and appreciate more than I can even begin to express, the wonderful teachers I, and my family, have had the tremendous fortune to call friends.

No one begrudges Governor's Ducey's efforts to help better compensate teachers in this post-2008 economy. They deserve it!

Unfortunately, non-Arizona radical political activists are meddling in OUR budgetary process and putting us all at risk! Do we want to stagnate our wonderful, but fragile, economic recovery by DOUBLING our state income tax rate? NO!

If this Proposition takes effect, we would be the state with the 5th highest income tax rate. That's not the Arizona I know. We Arizonans are sound stewards of our precious resources. We will keep helping OUR teachers and OUR children, without California/New York type tax rates.

Please join me and VOTE NO on Proposition XXX.

David Ludwig

**David Ludwig, Citizen, Phoenix**

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Proposition XXX

I am very much against Prop XXX Invest in Ed Initiative as it is not at all honest!!! It would nearly double Arizona's income tax rate to 9%, which then becomes PERMANENT. That would make us the state with the 5th highest income tax state rate in the country. Arizona is on an economic upswing with large companies coming here because of our lower taxes. With an increase like this, businesses think twice about coming here, many will leave or close and jobs will disappear. Good people and businesses will locate in other states.

The citizens of Arizona provide its legislature with PLENTY of money to prioritize its budget and adequately increase teachers' salaries and provide sufficient funding to the school districts WITHOUT increasing Arizona taxes.

Throwing more money at the problem, without accountability for where it is spent, is not a solution. There is plenty of economizing that can be accomplished.

I urge you to vote NO on this proposition. It will be the downfall of the State of Arizona!

Let our Arizona Legislature budget the monies already coming into the state coffers, economize, and then fund our teachers and schools appropriately.

Martha Ludwig

**Martha Ludwig, Citizen, Phoenix**

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The Problem(s) with Proposition XXX and the Resulting Harm to Arizona

Several states have tried to TAX their way to fund causes; Maryland, Connecticut, New Jersey have all gone after their millionaires and have lost a percentage to flight. This would be worse than “Taxachusetts”. We don’t have major banks or tech to help offset these losses-what happens when total revenue declines because these victims have decamped? It does not take much to change residency or to move a business to Nevada or Texas. Will the teachers promise to refund any shortfalls that will impact everyone else in Arizona?

We have all been told that our education suffers because we don’t pay teachers enough. Have we looked at the results of school systems in New York City, Chicago, Los Angeles or Washington, DC? What performance guarantees do we have from this spending? What educational reforms are being instituted for this spending? How much is going for more bureaucracy ? Do we get teacher standards?

This ballot is a rush to implement a Bernie Sanders style solution without real debate, without real discussion and without the time to reflect on all the serious implications. The ramifications are already percolating-I am a business advisors and we are already rethinking several future investments in Arizona.

Henry Ritter  
PO Box 26030  
Scottsdale AZ 85255  
310-439-9040

### **Henry Ritter, Scottsdale**

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As a public-school teacher, a former member of the Peoria Unified School District Governing Board, a current board-member of the Maricopa Community College Governing Board, and your next Superintendent of Public Instruction, I, Tracy Livingston, have dedicated my professional career to my students.

I oppose Invest in Ed because there are other solutions that exists that are more conscious of Arizona tax payers and better suited to address the needs of our students, parents and teachers.

First, our funding-formula needs to be simplified. Under the current Arizona Department of Education, over \$100 million of tax-payer money has been misattributed to local public schools. This caused schools to be withheld necessary funding, and forced the state of Arizona to spend more tax-payer dollars on out-of-state auditors. If we simplify our funding formula, and implement backpack/portability funding for students, we can free more money for students while increasing school choice. This will help decrease costs and ensure that allocated money is being spent appropriately.

Second, I would revamp the current Arizona Department of Education. Our ADE currently (mis)spends millions on duplicate costs at the expense of Arizona Tax Payers. Rather than funding overlapping services, this money could be freed to put more money into the classroom.

Third, I want to work with the Arizona House and Senate to change the funding formula for Proposition 301. The current system of different financial buckets causes teachers, schools and local communities to jump through hoops to obtain deserved money. The result is that money is being lost to bureaucracy. A simple 70-30 split between teachers and administrators would guarantee teachers receive more of what they deserve, without burdening tax payers.

The path to disaster is often paved with good intention. We need real solutions, and for that reason, I oppose Invest in Ed.

**Tracy Livingston, Maricopa Community College Governing Board Member At-Large,  
Maricopa Community Colleges Governing Board, Peoria**

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Is it fair or even morally defensible to ask one percent of taxpayers to pay 100 percent of a tax increase just because someone argues “they can afford it”? We say no. Arizonans must be confident that the state tax code has been carefully considered and devised by thoughtful people who have weighed the pros and cons of the tax rate assigned each bracket. These people serve in the state legislature. The idea of subjecting the tax rate tables to a popular vote of the people is in direct opposition to the principles espoused by the Founding Fathers when they established our Representative Republic. We elect state Senators and Representatives to do this job, not put the tax rates up to popular vote.

Moreover, the creators of the Invest in Education Act assume those whose state taxes would be effectively doubled will stay in Arizona and just pay it. This is possibly wishful thinking. In the West, our friends in Texas and Nevada pay no state income tax. Should not Arizona be striving to join them, rather than raising taxes? Our neighboring states of New Mexico, Colorado, and Utah each have top income tax rates comparable to Arizona's. Do we really want our top rate to be double theirs? We think not. Over time many of our overtaxed citizens, likely the very people who own small to medium-sized businesses and collectively employ thousands of Arizonans, might simply pull up stakes and move their families and businesses to friendlier Western states. This tax increase is nothing more than a business and employment killer.

We urge all Arizonans to vote NO on this ill-conceived Act.

**David Eppihimer, Chairman, Pima County Republican Party, Tucson**  
*Sponsored by Pima County Republican Party*

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This ballot measure is pure class warfare. In order for government to spend money on anything, including education, someone has to first produce it. The people and businesses that this measure would tax are the ones who produce it. There may be a short term benefit to education but in the long run this will harm the economy and, because education is the largest expense in the budget, it will also harm education. Not very smart. Vote NO

**Roy Miller, Phoenix**

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The Yuma County Chamber of Commerce opposes Proposition XXX as it will hit small business hard; real hard. Yuma County is a great place to live, work, raise a family, play, and have a successful business. There is a generosity of spirit that exists here in Yuma that can't be found anywhere else. Our sense of community will make you feel welcome in a matter of seconds. This initiative is the opposite of the Yuma County spirit. It is class warfare at its core.

The proposal calls for a doubling of the state's top income tax rate from the current 4.54 percent tax rate to an absurd 9 percent for some earners. It would take Arizona's income tax rate from the 38th highest in the nation to 5th highest, and in so doing, kill jobs along the way. Small business will suffer the most. The Yuma County Chamber of Commerce feels this approach is an attack on small business and will create an unfriendly business environment for current and potential businesses, many of which report taxable business income on personal returns. This initiative is financially imbalanced, and poorly designed. It must be defeated.

We are celebrating a huge victory for teachers and education in Arizona with the passage of the Governor's 20/2020 funding package for teachers in Arizona. This will make a big difference in hiring and retaining the best and brightest for years to come. Let's work together to create a better plan before we let this attack on small businesses happen.

The Yuma County Chamber of Commerce believes a long term, sustainable financing plan for education is critical in maintaining Arizona's growth. This plan isn't it. Vote no on Proposition XXX.

**John Courtis, Executive Director, Yuma County Chamber of Commerce, Yuma**  
*Sponsored by Arizonans for Great Schools and a Strong Economy*

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We oppose Proposition XXX because it will burden and harm Arizona's small businesses. It will raise Arizona's top income tax rate higher than New York and Massachusetts! This measure will ultimately hurt Arizona's small businesses and schools. Competitiveness and a strong economy are vital to Arizona's jobs and economy. We don't buy our hot sauce from New York and Massachusetts – we shouldn't buy this fatally flawed ballot measure.

**Bas Aja, Executive Vice President, Arizona Cattle Feeders' Association, Phoenix**  
*Sponsored by Arizonans for Great Schools and a Strong Economy*

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The Arizona Chapter of the Associated General Contractors is committed to Arizona's success and to its future. Our membership has been integral to building the essential infrastructure that has allowed the state's economy to thrive and to position it for continued growth.

We're invested in Arizona's next generation. We believe our schools and teachers deserve – and have earned – more resources to perform their jobs.

Our record on education funding is strong. We do not automatically reject policy proposals that call for increasing or extending taxes. We supported the 20-year extension of the Proposition 301 education sales tax. We supported the plan to raise average teacher pay 20 percent by 2020. We were also one of the only business groups to support Proposition 204 in 2012, which would have extended the now-expired 1-cent sales tax that voters adopted in 2010, which we also supported.

We share the belief of Proposition XXX's proponents that education is worth investing in.

It for these reasons that we are disappointed to oppose Proposition XXX. It was not a close call.

The taxes we pay to the state provide the resources to fund teacher salaries. If Arizona adopts Proposition XXX, which targets small businesses, then our member businesses will be hurt. And when our businesses struggle, that means fewer tax dollars going into state coffers and into public education, a lesson we learned the hard way during the recession.

The promises of Proposition XXX are empty ones. Teachers deserve more. But asking small business to shoulder the burden of increasing teacher pay alone by doubling the taxes of businesses like ours won't help teachers and it won't help the economy.

We hope all Arizonans vote no on Proposition XXX.

**David Martin, President, Arizona Chapter of the Associated General Contractors, Phoenix**  
*Sponsored by Arizona Chapter of the Associated General Contractors*

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On behalf of the private companies who contract with the state to provide health care to our most vulnerable citizens, I write in opposition to Proposition XXX. At the very heart of our health care delivery system are Arizona's medical providers – an overwhelming number of them in small businesses made up of doctors and nurses, dentists, behavioral health specialists, physical therapists, people that provide home health care to our seniors, and tens of thousands of other Arizonans who file their small business taxes through provisions in the personal tax code. For many of them, the passage of this measure would hike their taxes by as much as 76 percent; for some this proposal would nearly double their tax bite.

This initiative would take Arizona's top income tax rate from 38th highest in the country to the 5th highest. As we contend today with a very real and growing doctor shortage, especially in rural areas of the state, recruiting and retaining critical medical personnel will be much harder if our income tax rates rival New York and California.

Finally, this proposal doesn't truly solve the material issue of teacher pay; it is neither sufficient nor sustainable. We wholeheartedly support giving our teachers their due and know that the success of our businesses is dependent on a well-educated workforce, regrettably, this proposal will not permanently advance either goal.

**Deb Gullett, Executive Director, Arizona Association of Health Plans, Phoenix**  
*Sponsored by Arizonans for Great Schools and a Strong Economy*

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I am strongly opposed to the “InvestInEd” ballot initiative to raise taxes.

As a former CEO, I know the initiative is really a tax increase on entrepreneurs and job creators, and on capital formation and investment. I believe it would harm and destabilize our state's economy and lead to loss of businesses and jobs. That, in turn, would reduce tax revenues over the long haul for all state government services, including K-12 education, the largest item in the state budget.

This initiative is pushed by highly-partisan political operatives. They come from the far-left, "socialist" (Bernie Sanders) wing of the Democratic Party that fervently believes in redistribution of wealth as the solution to societal challenges. They used the second week of the teacher walkout/strike to gather signatures for “InvestInEd” at the Capitol while inconveniencing and doing a disservice to many Arizona families with school-age children.

Yet I haven't heard any of the “InvestInEd” promoters decry the recent state standardized test results showing 56% of third-graders aren't minimally proficient in reading, the foundation of all learning.

The people so passionate about “InvestInEd” all have one thing in common: they want to increase individual income taxes but decrease parental school choice. Their constant refrain is “we don't want our tax dollars” going to support charter schools and private school scholarships. Any increase in funding for K-12 education should also embrace greater accountability for all students learning, and the robust competition and school choice we have in Arizona.

I hope you'll join me in opposing the “InvestInEd” tax increase. It's bad for Arizona, bad for our economy and bad for education!

**Frank Riggs, Scottsdale Businessman & Education Leader, Riggs for Arizona, Scottsdale**

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As a former Arizona middle school teacher and current executive director of a non-profit supporting schools that serve low-income students at a high level, I cannot support Proposition XXX. This measure asserts a highly volatile source of funding as the solution to teacher pay. But nothing could be further from the truth. A few minutes of research tells us the impact on teacher pay will fluctuate every year, which does not bring confidence to teachers seeking a long term solution for pay. This effort also does nothing to attract teachers to low-income and rural schools most in need of quality educators. Worse yet, the definition of 'teacher' has been so broadly redefined that the amount of money advertised to go to classroom teachers will be drastically diluted. This means less funding will go towards salaries for the exceptional classroom teachers that have put Arizona on the map nationally for academic gains. Our students and neighborhood schools deserve better. I've witnessed the power of team collaboration, working to include voices throughout the education continuum of universities and community colleges. This is how lasting solutions that solve problems are forged, so we can truly provide all students opportunities to succeed. I plan to vote “No” on this initiative and instead pledge to work

collaboratively on a real long-term solution that Arizona's exceptional teachers and leaders can actually count on.

**Emily Anne Gullickson, Executive Director, A for Arizona, Phoenix**

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The Arizona Technology Council recommends you vote "no" on Prop XXX.

The volatility of the tax bracket recommended to support this measure would put this funding source constantly at risk. From year-to-year, there would be no guarantee of its reliability to fund education.

The Council strongly supports teachers in our state. We must never forget they prepare Arizona's most precious resource to take on the challenges of life and work. The students they teach are our future entrepreneurs and workforce. We strongly supported the 20 percent pay increase for teachers. But Prop XXX is the wrong approach to providing long-term stable funding.

If Prop XXX is successful, Arizona's highest income tax rate would nearly double to a whopping 9 percent, making us uncompetitive with a rate higher than most states in our region.

Arizona's present economic success didn't happen by chance. Our current economic prosperity is the result of much hard policy work over the past decade. We are reaping the intended rewards as the economy is booming.

Prop XXX would do significant harm to small businesses that drive most of our job growth. The preponderance of all Arizona businesses are small (<100 employees). Because most small business owners file their business taxes as a pass-through accounted for in their personal income tax returns, they would be hit hard. Prop XXX would have a devastating impact on these types of businesses in every city and town across Arizona.

We have built a highly productive entrepreneurial ecosystem over the past 10 years, making us one of the most attractive states to create, grow and relocate a business. This initiative would put much of this in jeopardy.

Please vote "no" on Prop XXX. It would make Arizona uncompetitive and harm our economy, particularly small businesses. Add to that, it wouldn't help teachers.

**Steven Zylstra, President & CEO, Arizona Technology Council, Scottsdale**

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In the short time I've been alive, Arizona has undergone a remarkable transformation from empty stretches of desert to gleaming skyscrapers. Throughout both Democratic and Republican administrations, we've made the desert bloom by embracing pro-business low tax policies that attract, encourage, and reward entrepreneurs. When I graduated from law school on the east coast I could have gone to work for a big firm in New York or L.A. I came home to Arizona because I wanted to build something of my own and I knew that there was no better place in the

country to do it. I was right. Arizona's low taxes have meant that we've been able to put money aside to grow our business, hire, and provide decent pay and benefits. They've given us the opportunity to expand by working with tech startups fleeing higher tax states. Invest in Ed would take a hammer to growing companies like them. Like us. Invest in Ed isn't an investment at all - its Arizonans mortgaging our future. Its saying to the next generation of business "go elsewhere." Telling the next generation of those who aspire to do their own thing, dance to the beat of their own drummer, to fall in line or ship out. Telling ourselves that we no longer believe in Arizona, in its power to show what can grow in desert soil when the government doesn't get in the way. We've watched too many other states go down the path of creeping taxes and slow decay. If you're not ready to walk down it either, I hope you'll join me in voting NO on Proposition XXX.

**Alexander Kolodin, President, Kolodin Law Group PLLC, Scottsdale**

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Be careful what you wish for! While on the surface this proposition may sound reasonable but stripping away the surface and we see the devastation that it will cause. It will double the income tax rate which can never be changed and it's main victim is Small Business. Small business are mainly L.L.C.s which means it's income is passed through to the owners who's tax rate will go from 4.9% to a whopping 9% making Arizona the fifth highest income tax rate in the country. It will kill Small Business in our state. This is a very bad idea. Vote NO on this proposition.

**Wesley Harris, Education activist for Parents and Students, Arizona Republican Party, Maricopa County LD 20, Phoenix**

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Prop XXX is bad for Arizona

This proposition is poorly drafted by special interest groups. It is written such that they can do anything they want with the revenue without any guarantee it will make it to the classroom. There is no accountability structure. And as a voter initiative, it will be impossible to reverse except by another voter initiative.

It will wreak havoc on the Arizona economy. It almost doubles the income tax rate to 9% and would make Arizona the 5th highest state for income taxes. It targets small sole proprietor businesses that file their business tax returns as part of their personal income tax returns. It will make them uncompetitive with businesses in lower taxed states. Eventually they will move their business to a lower cost state. Small business is where most new jobs originate and jobs will go with them.

These tax increases affect us all. Businesses pass through this cost as an addition to what they charge you for their products. This is not a tax on the rich, as people pushing tax increases like this one always say. This tax increase would be paid by everyone that lives or does business in Arizona.

People are fleeing California due to the onerous taxes and high cost of living, and they have generally great weather. What will keep people in Arizona to face triple digit summers if our low cost of living is incrementally taken away by such bad tax propositions like this?

**Paul Mueller, Peoria and Eileen Mueller, Peoria**

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As a former Superintendent of Public Instruction, it has been my privilege to work with others to ensure all students have access to great teachers and great schools. The initiative calling itself “Invest in Ed” falls short on both goals. Proposition XXX irresponsibly claims to add money for teachers, when it would actually enact an unstable revenue source and divert funding away from the classroom. The authors of this initiative say it will enact a punitive tax for the “rich,” while in fact it nearly doubles the tax rate on any small business that files under the individual tax code. Anyone who has ever owned or worked for a small business, carried debt, and worried about making pay roll knows immediately the chilling effect that a doubled tax burden will have on small business and the entrepreneurial spirit that has driven Arizona’s economy forward. Our resurgent economy made the recent education funding increases possible. This ballot puts that economic progress - and everything that Arizonans have said matters most in our schools – at risk. Over the past decade, our classroom teachers have brought us academically stronger schools - and those schools and teachers require an ever-stronger economy to sustain their work and grow their salaries. Let’s Vote No in November - then rally together to build a common sense approach to increasing pay and expanding excellence.

**Lisa Graham Keegan, Former Arizona State School Superintendent, Peoria**

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NFIB Arizona strongly urges a NO vote on Proposition XXX.

- Big corporations would pay lower taxes than small businesses.
- The new taxes it proposes would be virtually permanent.

This proposition would create a tax-rate shock for small-business owners and stymie their ability to grow and invest in their workforce, costing Arizonans jobs. The rates proposed by this initiative would equal tax increases ranging from 76 percent to 98 percent.

Most mom-and-pop businesses file their income taxes as individuals. This means their business income is taxed at the personal income tax rate. This proposition would raise this rate to levels on par with California, New York, Massachusetts, and Washington DC—leaving Arizona as one of the highest income-taxing states in the Southwest and nation.

By nearly doubling the amount of tax paid by small businesses on much of their income, this proposition would kill opportunities for job-seekers and for entrepreneurs looking to expand.

Furthermore, should this proposition pass, the corporate tax rate would be lower than the personal income tax rate that most small businesses pay. This means that Arizona’s largest corporations would pay lower marginal tax rates than many small businesses.

This initiative would make the entire income tax rate structure in Arizona permanent. The initiative is written to include both the new higher tax rates and the existing rates, any changes to it are impossible through legislative means. Further, by removing the annual adjustment for inflation in our current rates, the initiative will result in a tax increase for all taxpayers, including teachers!

Arizona small businesses employ roughly 45 percent of the state's workforce and add nearly 40,000 jobs each year. It would be foolish to starve Arizona's engine for economic growth to satisfy the spending appetite of a few. Vote NO.

**Chad Heinrich, State Director, NFIB, Phoenix**  
*Sponsored by NFIB*

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At the 2018 Socialism Conference in Chicago in July RedforEd leader, Noah Karvellis, spoke about the plans to tax the richest in Arizona causing the crowd to chant, "Tax, the rich. Tax the rich. Tax the rich..." The writers of Proposition XXX would like you to believe that this tax will not affect the common man - just those who are rich. If we look at what has happened in other states, it does not always work to soak the rich. The Seattle City Council wanted to charge companies making over \$20 million a year a \$540 head charge per year for each of their employees. This was changed after companies started threatening to have their employees work elsewhere. This Arizona tax would be permanent (unless another proposition was brought to the people) and could not be changed as the proposed Seattle tax was. Arizona currently has taxes lower than many other states, and that is why some companies have located here. Just look at the high tax states like California, New York, New Jersey, and Illinois: many people have left these states for lower tax states. Raising taxes on entrepreneurs and job creators could lead to less taxes collected when the targeted group decides to move or make other plans to avoid higher taxation.

**Florence Smith, Phoenix**

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Prop XXX is another attempt to mislead Arizona voters. It is mislabeled "Invest in Education" as the loopholes included allow for monies to be redirected without transparency or accountability. This proposition is an invitation to more corruption by the political class and bureaucrats positioned to benefit from the hoax they are attempting to pull on us. It will be destructive to small business, as an unfair tax burden will fall to business owners, who are the engines of Arizona's strong economy and the creators of Arizona's jobs. It guarantees that low and middle income taxpayers will face a \$200 million dollar tax increase. This proposition was drafted in secret and is backed by radical special interest groups. VOTE NO on this very bad idea.

**James "Jim" O'Connor, Candidate for AZ Corporation Commission, Scottsdale**  
*Sponsored by OCONNOR 4 CORP COMM*

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Arizona is known for its natural beauty and welcoming environment for families and entrepreneurs. Right now, Arizona's highest personal income tax is currently at 4.54 percent. This gives Arizona a competitive edge in attracting and creating new businesses. Proposition XXX would increase this rate by at least 76 percent and up to 98 percent, bringing the highest current tax rate from 4.54 percent to 9 percent. This is not the way to help families with their own daily economy or allow entrepreneurs to create vibrant new businesses.

Please join us in voting no on Proposition XXX. Arizona deserves a healthy environment for families and an environment to help entrepreneurs create their dreams.

**Kimberly Wold, Executive Director, Prosper, Phoenix**  
*Sponsored by Arizonans for Great Schools and a Strong Economy*

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No Arizonan would deny our children the best education possible. In the past we have had many bond issues, overrides and tax increases for 'The Children' and yet we rank in the lower half of the national rating. Many funding initiatives have been thrown at education in Arizona and are our children any better off? Most would agree, not at all. We've seen the money squandered, mismanaged or misappropriated and not benefiting the students nor any merit based raises for the teachers. Money is not the issue, management is and sadly we lack responsible accounting for Arizona's schools by well-paid administrators that consistently make very bad decisions and need to be held accountable in spending our money indiscriminately.

Prop XXX, (the largest permanent tax increase in our history) would nearly double Arizona's income tax rate to 9% making Arizona the 5th highest income tax in the country. This legislation would permanently lock in Arizona's income tax rates, guaranteeing higher income taxes will remain permanently in place. This would kill small businesses, new start up businesses and drive investment and jobs to other states!

None of the revenue from this tax would be required nor mandated to go to the classrooms. There are no reforms or accountability on how money would be spent nor does it address the hardening of our schools to protect our students and teachers from possible school shootings. It is so poorly drafted and guarantees that low and middle-income taxpayers will face a \$200 Million dollar tax increase.

Generated in secret closed door back rooms and backed by radical special interest groups and labor unions it will derail our economy and impede our state's recovery. Vote NO on Prop XXX.

**Barbara Medal, Tempe**  
*Sponsored by AZ SMALL BUSINESSES AGAINST I-17-2018*

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Greater Phoenix Leadership (GPL) opposes Proposition XXX. If passed, it will effectively create the highest income tax rate in the region except for California. Arizona's top income tax rate would become the 5th highest of the 50 states, rendering our state less competitive and unwelcoming to businesses.

According to the Kauffman Entrepreneurial Index, Arizona is ranked fourth in the nation for startup activity and is home to a rich ecosystem of entrepreneurs and tech businesses. This is because of our state's sound business policies and tax structure that make Arizona a welcome environment for doing business. We should not further tax small businesses but encourage more growth in the business sector.

Proposition XXX will hurt many small businesses because owners file their business income on their personal income tax returns. Small businesses subject to Proposition XXX income tax rate hikes will end up with a higher tax rate than a large corporation paying the Arizona corporate income tax!

Arizona does have to find ways to invest more in education, and GPL remains committed to working with all stakeholders on a funding solution for the P-20 system, including community colleges and universities. Proposition XXX does not address the needs we face, and it is bad public policy for Arizona.

We all share the responsibility of finding a viable solution to properly fund P-20 education in Arizona. We recommend against Proposition XXX.

**Neil G. Giuliano, President and CEO, Greater Phoenix Leadership, Phoenix**  
*Sponsored by Arizonans for Great Schools and a Strong Economy*

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Please join us in a NO vote on the largest permanent tax increase in AZ history. It would give AZ the 5th highest income tax in the country. This initiative would nearly double the income tax rate to 9%. devastating small businesses which are the bedrock of our community. In addition, the initiative is very poorly written and full of loopholes with no guarantees that the extra monies would ever make it to teachers or classrooms. Please vote NO on Prop XXX.2

**Amy Peterson, Gilbert**

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Prop XXX will double our income tax rate from 4.5% to 9% hitting our small businesses the hardest. And drive investment and jobs away and will derail Arizona's economic recovery. It will make AZ the 5th highest tax rate behind only CA, Hawaii, OR, MN.

Low and middle-income earners will face a \$200 million tax increase and people on fixed incomes are going to have their checks reduced further with no guarantee that any of the dollars will ever get to the classroom. There is no accountability on how the money is to be spent.

**James McGarrahan, Phoenix**  
*Sponsored by AZ SMALL BUSINESSES AGAINST I-17-2018*

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Prop XXX is a bad plan. The plan's stated goal is to increase spending for education. Where the plan fails is that it does not have any accountability for how the increased funds from increased taxes will be spent. Taxes collected are not required to be spent for the classrooms. Why does this "tax increase for education" not include any stated provisions on how it will help education?

Prop XXX will hurt small businesses with the higher tax rate. Our small businesses already struggle with burdensome regulations and high taxes. Many have high operating costs and a tight margin for profit. This initiative will increase the taxes on businesses that employ Arizonans. The new taxes will shutter small businesses and increase unemployment. Do we need to put families out on the street for an unnecessary tax?

Prop XXX will hurt families. Currently, families are struggling to make ends meet. The poor wording of this initiative all but guarantees low and middle income taxpayers will face a \$200 million tax increase. Can we place this increased tax burden on the families in Arizona who are already struggling financially?

Tax payers in Arizona have the right to know where their taxes are going and what their taxes are being spent on. Prop XXX will not directly help education. It will not help small businesses. It will not help families. How can the citizens of Arizona support an initiative that will damage our state.

**John Lopotko, Peoria**

*Sponsored by AZ SMALL BUSINESSES AGAINST I-17-2018*

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Don't be fooled. Shortsighted special interest groups and labor unions are attempting to nearly double Arizona's income tax rate, transforming us from a low tax state (38th in the nation) to one with the 5th HIGHEST income tax in the US. What's worse? This will be "Voter Protected" meaning it will lock the tax increase in forever, permanently blocking any and all future income tax cuts while strapping our school teachers to a very unreliable source of revenue. We support our teachers. Uncertainty over their funding source is not in their best interest.

Small businesses and the people they employ will be hit hardest but our entire economy will suffer immense harm when our job creators, those that will be expected to pay these double taxes, flee to neighboring states, taking our jobs with them.

Decades ago, Arizonans were over taxed, and our economy struggled. AMIGOS, a diverse statewide organization of mostly small and mid-sized businesses worked hard to stop and reverse those continual tax increases and we urge you to vote no on Proposition XXX.

**Sydney Hay, President, AMIGOS, Scottsdale**

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My name is Margo Treece. I am a small business owner along with my husband, Fred. We have had our business in the valley for 35 years. It is a physical therapy practice. We have the pleasure of serving some of the best patients around while supporting their physician's goals to get them

to better health through injury recovery, exercise, mobility training, balance training and weight loss. We love having our small business in Arizona and raising our family here.

Our physical therapy practice is in the East Valley. As everyone knows, the healthcare segment of the business environment has been hit hard already. Physicians and ancillary practices alike have either banded together or had to seek ways to change their business model. Now we are hit with a government union wanting to target small businesses like ours. This is a bad for Arizona! Small business owners, as everyone has heard time again, are the backbone of America and most definitely of Arizona. Prop xxx will break the backs of small businesses. These businesses will see their income taxes go through the roof in a manner of speaking. I find no comfort in being second only to California in this instance. This does not help our teachers either. This is bad for Arizona!

Please consider how many small businesses you deal with on a daily basis and vote NO on Prop xxx. It is bad for Arizona!

**Margo Treece, Partner, Aspen Physical Therapy, P.C., Mesa**

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When I was eight, I had a lemonade stand. My friend had a popsicle stand. In a month, I made more money than her. I DID NOT GIVE HER ANY OF MY PROFIT. Why? It was my stand and I didn't have to, I earned it! This is a basic lesson: Do not steal what isn't yours. The Invest in Education Act supporters use this exact bully tactic. It puts a dollar sign on a certain class of Arizona citizens for the promoters' own gain. The people behind the legislation are a self-aggrandizing bunch of bullies. They have spread hate, creed and envy among their supporters to TARGET incomes of \$250,000.00 or more. However, their UNMENTIONED chosen class is SMALL BUSINESSES! Small businesses are the BACKBONE of Arizona's economic growth. Governor Ducey and the legislature have given education a 20% raise by 2020. This wage increase is made possible by the very class of citizens that the Invest for Education promoters are targeting. This ballot initiative will substantially raise their taxes. How many businesses are willing to be DOUBLE TAXED to fund a certain class? How many businesses will leave for states with more favorable tax rates? How many new businesses will be attracted to Arizona knowing they are double funding a certain class? Class warfare only works for the abuser! PropXXX is a job-destroying nightmare for Arizona and will devastate the current funding to education that was just passed. Don't punish our businesses! Arizona has a rich booming economy, small businesses are the very group that is already paying for the 20% wage increase! Be careful not to BITE THE HAND THAT FEEDS YOU!! Do not let the BULLIES WIN! VOTE NO....on PropXXX

**Linda Russell, Mrs. Steven Russell, Glendale**

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Did Bernie Sanders write Proposition XXX?

It's a serious question. It doubles the state's highest income tax rate overnight, targeting the so-called "wealthy" and small business owners.

It purports to direct new revenues to teachers, but it defines “teacher” so broadly that the classroom teacher’s pay will be nearly nothing.

It makes no mention of educational outcomes. It just assumes that higher taxes will lead to better schools. This theoretical model certainly has not proved to be true across the nation.

It’s so poorly crafted, and oozes with socialistic orthodoxy that it’s worth asking if Bernie, the father of today’s American Socialism movement, was the author.

Proposition XXX isn’t worth the chalkboard it was written on.

It assumes tax rates don’t matter to citizens. But, of course they do. Why stop at doubling the income tax? Why not triple it?

It assumes higher taxes are all our schools need. But, of course there’s more to it than that. We need high standards, properly aligned curriculum, well-qualified teachers, and an environment that empowers parental choice. If schools just needed higher taxes, then parents would be flocking to Washington, D.C. and Camden, New Jersey.

Its proponents claim that it will raise around \$700 million annually. But that makes the absurd assumption that the economy will never fluctuate, never hit a downturn.

It spreads around whatever dollars it will raise like thin gruel, cynically attempting to curry favor with any interest sympathetic to a union agenda. Unfortunately, it is Arizona’s teachers who are left with little and it targets any small business or individual who has the gall to earn an amount that is more than what the Union believes is the “right” amount.

VOTE NO ON PROPOSITION XXX. Do not turn Arizona’s economy and our children’s education over to Bernie Sanders.

**Kristen Desmangles, Gilbert**

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Dear Fellow Arizonan's- Isn't it high time that we all pay higher taxes? Isn't it a great idea to raise our top individual tax bracket from 4.54% to 9%, almost doubling our taxes? Isn't it high time that small business owners that file their taxes under the personal income tax code should have a tax rate higher than large corporations? Isn't it time that we fall in line with one of the highest taxed states in America, California? Isn't it time that we have a tax rate higher than New York, New Jersey, and Massachusetts? Isn't it time that we strip the incentive to start your own business, to work hard, to make more money, and to hire new employees? Isn't it time that we Arizonan's, who have 5 tax brackets raise it to 7, and range from 2.59% to 4.54%, raise the top to 9%? Isn't it high time for small businesses to pay 9% while large companies pay a flat 4.9%? Hasn't the time come to drive entrepreneurs, small businesses, a college grad with a new, good idea, and anyone who is thinking of owning their own business to states like Texas and Nevada? Isn't it time that we finally punish people for their success? Isn't it time that we strangle and weaken Arizona's economy? Isn't it time that we all say "yes" to a really bad idea and once and

for all kill our education system in Arizona? Isn't it time that we all go to the polls this November and vote "yes" to the "Invest In Education" business and job killing ballot initiative? The obvious answer to all these questions is a resounding "NO"! All Arizonan's beware; higher taxes DO NOT help our education system! Weakening our economy will only produce less dollars for our schools.

**Keith Broadwater, Phoenix and Carey Broadwater, Phoenix**  
*Sponsored by Keith Broadwater*

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A quality education is a critical mechanism for socioeconomic advancement among aspiring individuals and an important driver for upper economic mobility in our society. In addition, a well-educated workforce is vital to the state's long term economic health. Arizona companies both large and small are demanding a highly skilled workforce to meet the demands of today's increasingly competitive global economy.

For decades, technologic advances have increasingly allowed simpler, repetitive tasks to be done more cheaply and safely by machines. And like the technological change, globalization has reinforced the shift away from lower-skilled jobs that require less education to higher-skilled jobs that require a technical and/or college degree. The jobs that globalization creates in Arizona, serving a global economy, are more likely to be filled by those who have secured a quality education.

With the demand for a highly skilled and highly educated workforce at an all-time high, it is now more critical than ever that Arizona invest in its educational institutions. Unfortunately, Prop XXX is neither a sustainable nor a wise path for Arizona. Arizona Policymakers have made great strides to reduce the harmful effects of the Great Recession, and we are now seeing the fruits of those labors; capital spending has increased for both large and small businesses, consumer optimism continues to reach new highs, and an unemployment rate of 3.8% is at a 18-year low. By imposing a 9% personal income tax on high-wage earners it would certainly erase those gains and more importantly would put Arizona at a severe disadvantage in trying to attract job creators.

The Arizona Bankers Association strongly urges you to vote NO on Prop. XXX

**Paul Hickman, President & CEO, Arizona Bankers Association, Phoenix**

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I recommend for all Arizonans to vote against Proposition xxx. With the Red-For-Ed Rallies, we saw the damage outside interest groups (outside of Arizona) would have on our kids. Gov. Ducey is one of the most dedicated governors in support of K-12 education that we have had in the last couple decades. At the time of the Red-for-ED, Gov. Ducey already had on the table significant funding for the schools. These outside interest groups placed our kids in the middle of the fight that Gov. Ducey was already fighting and he did it without even a tax increase. The main focus of these outside groups is to force a tax increase on Arizona residents. The Trump Tax Cuts have increased revenue into our state and schools. We need to let these tax cuts work their way through. The Superintendent of Public Instruction needs to look at school district sizes.

There are some districts that have only 2 to 6 schools. School districts as a whole can manage costs if they were to merge some of these small districts into others.

**Glenn Smith, Prescott Valley**

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Cotton is one of Arizona's legacy five C's. The cotton industry is one the cornerstones upon which the state was built.

We take our position in Arizona's history seriously.

We have long supported policies that ensure Arizona remains an attractive state to build a business and raise a family. That includes an outstanding educational environment and a positive business environment.

Unfortunately, Proposition XXX does nothing to enhance those two important areas. In fact, if it passes, it will do much more harm than good.

Arizona cotton farmers are small businesspeople. Our family-owned farms are responsible for growing the crop that not only helps the entire state prosper, but that improves the quality of lives across the globe.

We're also taxpayers. We pay taxes on our land, our materials and supplies, our equipment, and on our income.

If Proposition XXX passes, it will make Arizona a harder place to farm cotton. The proposition would double the income tax of many farmers overnight. Suddenly, farms that have been in families for generations will be at risk.

Make no mistake: We are pro-education, and we are pro-teacher. We know Arizona's teachers have earned a raise.

But Proposition XXX takes Arizona in the wrong direction. If Arizona's cotton farmers get hurt, then so does the rest of the state's economy. And when the economy suffers, so does teacher pay. Cotton farming is tough business. Weather. Pests. Fluctuating world markets.

Let's not make it any harder by doubling the income tax on small businesses.

Save the family farm. Don't hurt Arizona's cotton growers or its economy. The Arizona Cotton Growers Association urges you to VOTE NO ON PROPOSITION XXX.

**Art Heiden, President, Arizona Cotton Growers Association, Buckeye**

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Proposition XXX, Invest in Education, is a well-intentioned but ill-conceived proposal that will negatively affect tens of thousands of Arizonans and stifle our state's rebounding economy. It must be defeated. The Southern Arizona Leadership Council (SALC) urges a "no" vote.

Small business is the lifeblood of Arizona; more than 550,000 small businesses employ over 1 million people, nearly half of Arizona's employees. Prop XXX will almost double the taxes on many small business owners and high earners. The result will be loss of jobs and earned income, thus reducing base tax revenues. If this initiative is successful, many small business owners would pay a higher percentage in income tax than large corporations. Most small businesses including restaurants, hair salons, and boutiques are independent contractors, LLCs and S Corporations, the income from which is reported on the owner's personal tax returns. This would cripple those businesses, force layoffs and potentially result in closures.

With respect to high earners, consider physicians who are in short supply in Arizona. They, and other top earners, are in demand and can choose where to live and work. Logically, they may decide to relocate to a state that doesn't unfairly tax them. If this initiative passes, Arizona would catapult from the ninth-lowest to the fifth-highest top income tax rate in the nation.

SALC remains committed to increasing Arizona's education funding. Arizonans want more funding for teachers and schools, but this is an unfair initiative that would have damaging, unintended consequences. We need a comprehensive plan to properly fund the P-20 pipeline, including community colleges, universities, early childhood and vocational training. This divisive initiative would harm our state and citizens. Funding education is everyone's responsibility, not just that of small business owners and top earners.

Fairness and prudence dictate a "NO" vote on Proposition XXX.

**Edward Maxwell, President/CEO, Southern, Oro Valley**

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The Arizona Hispanic Chamber of Commerce (AZHCC) urges you to vote no on Proposition XXX.

AZHCC values education! Our teachers are preparing our most precious resource for our shared future. There is no arguing that we want to continue to improve teacher pay and long-term, sustainable funding for our public education system. This is not the right approach.

Small businesses employ more than 95 percent of all Arizonans and the majority file their business taxes through pass-through entities. If Proposition XXX passes, the Arizona economy will be negatively affected, and the small business sector will be hit the hardest. If personal income tax is raised, Arizona will no longer be a hub for small businesses nor encourage growth and development.

By tying teacher pay to highly volatile tax brackets, we would be placing their funding stream at risk. This approach is unsustainable and an unpredictable source of funding at best. Also, by expanding the definition of teachers, educators will be receiving a smaller portion any money raised.

Additionally, Arizona's highest income tax rate would nearly double and to a whopping 9 percent – much higher than other states in our region. Arizona would have the nation's fifth-highest income tax, with a higher top income tax rate than even New York and Washington, D.C.

The method proposed in Proposition XXX is not effective. There needs to be a more holistic and comprehensive plan put together by all stakeholders that focuses on P-20 education and not just K-12. For our Chamber, this includes providing greater access to public colleges and universities; The AZHCC is committed to affecting this outcome and urges our state legislature to lead with a more sustainable education funding plan.

We urge you to vote no on Proposition XXX. It will hurt teachers and it will hurt small businesses.

**Gonzalo de la Melena Jr., President and CEO, Arizona Hispanic Chamber of Commerce, Phoenix**

*Sponsored by Arizonans for Great Schools and a Strong Economy*

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Prop XXX Is An Obstacle to Real Funding Reform for all Kids

The Arizona Charter Schools Advocates urges you to VOTE NO on Proposition XXX.

This proposal is an empty promise that will set back real efforts to improve funding for public schools in Arizona. Prop XXX fails to ensure that we are funding students fairly, equitably, and in a manner that is transparent. Worse yet, Prop XXX will be an obstacle to making the real changes necessary to move public education in Arizona forward.

Prop XXX is a knee jerk reaction to a serious problem. Prop XXX was developed without meaningful public input and is clearly motivated by political goals, not the best interests of Arizona. School funding deserves real solutions that can only be gained by bringing all education stakeholders to the table.

We stand ready to get to work on real solutions. We stand against the divisive politics and the false promises of Prop XXX.

Vote NO on Prop XXX.

Arizona Charter Schools Advocates

**Arizona Charter Schools Advocates, Tempe**

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As an Arizona business owner I recognize and appreciate the valuable role teachers play in bringing out the best in our most precious resource; our children. I also applaud any group who takes the initiative to create a system to solve the education community's budget issues; however this particular method is ill suited to readily account for funding shortfalls now or at any time in the future. The proposition requires that a tax be imposed on especially volatile income brackets, ones which in my experience vary wildly from year to year; this is no way to treat our teachers, our teachers deserve far better than that. Imagine having a budget that swings wildly from year to year based solely on only a small percentage of a state's economy; the effects would be devastating to the recipients. This, coupled with the fact that the new tax would make Arizona one of the highest taxed states in our region as well as making us the fifth highest taxed state in our nation (even New York has lower tax rates) will make us woefully uncompetitive. Small business is the driver in Arizona's economy and small business owners will be the ones hit hardest by this new scheme, this will have the effect of driving business away from Arizona and

creating an even worse situation for Arizona teachers and students. Arizona and our schools deserve far better than this ill conceived plan.

**John Vehr, President, Timney Mfg. Inc., Scottsdale**

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The Arizona Manufacturers Council urges you to vote no on Proposition XXX.

Manufacturers understand the importance of preparing today's students for tomorrow's jobs and have long supported policies that improve school funding and teacher pay. Our modern manufacturing workplaces are becoming more technologically advanced every day. The cutting-edge products we design and produce require a workforce equipped with the ability to keep pace with rapid change and innovation as we compete globally. Arizona's teachers and schools are essential to preparing our next-generation workforce.

Manufacturing jobs are desirable, high-paying jobs states compete to attract. According to 2017 data from the National Association of Manufacturers (NAM), Arizona manufacturing workers earned an average annual wage of \$82,321 -- nearly double Arizona's average wage for all other positions.

Many Arizona small businesses and manufacturers are "S Corporations" where the income and losses of the business are reflected on the owners' individual tax returns. Proposition XXX's nearly double tax increase would hit these manufacturers very hard, making other states with lower tax rates more apt to steal these burgeoning job creators away from Arizona. Arizona's educators can't afford to lose to other states the funds these businesses provide.

Many states' economic policies have caused manufacturers to look for more welcoming states. Let's not make the same mistakes that other states have made by making it harder for manufacturers – and the fantastic jobs they bring with them – to thrive in Arizona. Let's not let outside interests drive a wedge between manufacturers and educators who have worked together in unity for so long.

Higher taxes on small businesses would mean slower job growth, a weaker economy and fewer resources for teachers. A healthier economy is better for manufacturers and better for teachers.

Please join the Arizona Manufacturers Council in voting NO on Proposition XXX.

**Dawn Grove, Chair, Arizona Manufacturers Council, Phoenix and Allison Gilbreath,  
Executive Director, Arizona Manufacturers Council, Phoenix**  
*Sponsored by Arizonans for Great Schools and a Strong Economy*

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Why commit economic suicide? We'll lose our Ed funding forever.

Florida has beaches. Nebraska has farm land. Texas has oil. And so it goes with each state's reputation. We have a big empty desert. So why do businesses move here? Because we created a

business friendly climate. It's our biggest attraction for employers and entrepreneurs. And they especially come for our reputation for low-taxes. Reputation is all anyone really has. This holds true for a person, a city, or a state. Most states fund education better than us, yes, but without overtaxing their job providers. Taxes might be needed, indeed, but of all the things imaginable to tax highly, your source of jobs should be the last one. Can you imagine Florida overtaxing their beaches, thereby discouraging their use; or Nebraska overtaxing their farmland? Our business friendly climate has essentially become our distinguishing “natural resource” -- the engine that sets us apart and feeds all the others. There are better ways to fund education than committing economic suicide. After all, how much can we pay our teachers when the golden goose is dead?

**Julie Earley, Gilbert**

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The Chandler Chamber of Commerce strongly opposes the “Invest in Education Act”.

The Chandler Chamber strongly supports our educators and our students, however, we feel there are better and more reliable ways to fund education. The Invest in Education Act would near double Arizona’s income tax to 9% with only the state of California being higher in our region. It will also constrain our elected official’s ability to find more practical and viable solutions to long term education funding by imposing an untenable policy with no option to rescind.

We at the Chandler Chamber of Commerce believe education funding is a necessary tool for economic development, but it should not come at the expense of small businesses who comprise such a broad swath of our economy.

Small businesses in Arizona were some of the hardest hit in the nation during the Great Recession, and we’re still recovering. Although we don’t know when the next recession will be, inevitably there will be one in the near future. This initiative potentially puts the most vulnerable sector of our local businesses in jeopardy. Put plainly, it is an unreliable source of funding. It is of paramount importance that you vote NO on this initiative. In order to fix long term education funding, we must restart talks with schools, elected officials, and employers who need to stay in business if they are to hire the competent workforce that our education system intends to produce.

The Chandler Chamber represents 170,000 hardworking Arizonans who don’t want to see our small business community put in peril by a short-sighted ballot initiative that our elected officials would not be able to mend.

Please vote NO on the Invest in Education Act.

**Terri Kimble, President/CEO, Chandler Chamber of Commerce, Chandler**

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A personal note to philanthropic and religious business owners:

You know who you are. You’ve spent your life donating much of your earnings to charity: to fight cancer, to your church, to your neighbors in need, to the homeless. Funding such causes

may even be what motivated you to build your business in the first place. To your church, whatever your religion, you give a tenth or more of your income. You give to schools, universities, and youth shelters alike. Your life is one of generosity and meaning, and you may even live modestly.

Over the years, your passion may have settled on a special need in the world, one that has captured your heart. You feel this your calling in life. You are not alone. This impulse is what makes Americans not only the most prosperous people on earth, but the most generous. You're right to wonder if your blessing of prosperity is a test: a stewardship to be managed and shared wisely, and to see how you will bless others' lives. You're right to wish you could do more. And you're right not to want any of it to be wasted. Taxes are necessary in this world, to be sure. But we all know their waste in bureaucracy. They will never accomplish your goal of truly funding classrooms like you already do with your giving. There are better ways to ensure that our noble teachers receive the support they need in their work.

### **JaNae Earl, Gilbert**

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The Arizonans for Great Schools and a Strong Economy Committee strongly urges you to vote no on Proposition XXX.

There is no doubt this initiative will negatively impact Arizona's economy and will do little to nothing over the long-term to improve educational achievement in our state. The Initiative establishes two additional tax brackets for certain earners and small businesses with a dramatically higher base and rate. These new brackets would increase the rates by 76% and 98%, respectively: Making Arizona the fifth highest income tax in the nation.

Proposition XXX does not account for quality or performance. Any new funds collected through it do not require consideration of school or student performance or teacher quality, which current Proposition 301 monies in the Classroom Site Fund prescribe. Moreover, Proposition XXX expands the definition of maintenance/operations to include administrative personnel which ultimately will take spending away for class size reduction, teacher compensation increases and dropout prevention.

With such a drastic surge in the personal income tax rate, small businesses across the state will bear the burden of this California-type increase. Arizona is a hub for small businesses and attracts entrepreneurs from around the country. A significant reason Arizona obtained this status is due to our competitive income tax structure. When there is an increase in personal income tax that overwhelmingly will affect small businesses, it sends the wrong message. Arizona needs a comprehensive finance structure that will support the entire P-20 education system; Proposition XXX is not the way to do it.

Our Committee consists of a coalition of businesses, trade organizations and community leaders from across Arizona who will fight against this pernicious initiative. The passing of Proposition XXX will result in lost jobs, a weakened economy and a compromised education funding system: Join us in voting NO!

**Jaime A. Molera, Chairman, Arizonans for Great Schools and a Strong Economy, Phoenix**  
*Sponsored by Arizonans for Great Schools and a Strong Economy*

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On behalf of invisionAZ, a non-profit organization that is dedicated to supporting Arizona's tech and innovation community, we strongly urge you to vote no on Proposition XXX.

invisionAZ is committed to supporting public policy that allows technology, innovation and capital investment to flourish in Arizona. We support a robust education system that will help technology to grow in Arizona. And we support putting more resources into our state's education system. However, we strongly believe that Proposition XXX is not the right way to accomplish this goal. We believe that the passage of Proposition XXX will have a disastrous and negative impact on the state and will severely limit opportunities for future growth.

If it were to pass, Arizona's highest income tax rate would go to a whopping 9 percent – much higher than other states in our region – nearly doubling our current rate. Only California's income tax would be higher. Arizona would have the nation's fifth-highest income tax, with a higher top income tax rate than even New York and Washington, D.C.

Arizona's thriving tech economy is no accident. It is the result of sound public policy decisions, the passage of innovation-friendly regulations and an entrepreneurial spirit that has led to sustained job growth. According to a recent report published by Robert Half International, entitled "The State of Tech Hiring in Phoenix" (Q3 and Q4 2018), 74% of Phoenix tech hiring managers surveyed said they are expanding their teams; while 84% see more tech workers moving to Phoenix for job opportunities. In addition, WalletHub ranks Arizona #9 in the nation for producing successful startups.

If Proposition XXX passes, it will have a negative impact on our economy, effectively rolling back years of advancement and economic gain. Vote no on Proposition XXX.

**John Ragan, Chief Executive Officer, invisionAZ, Phoenix**  
*Sponsored by Arizonans for Great Schools and a Strong Economy*

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The Tucson Hispanic Chamber and our affiliated Chambers in Sierra Vista, Douglas and Nogales oppose Proposition XXX. We urge you to vote NO. This initiative will disincentivize businesses from growing in Arizona and reduce future workforce opportunities.

What Arizonans may not understand about Proposition XXX is that the increase in income tax proposed will hurt small business owners, which are the backbone of Arizona's economy and are more than 90% of the businesses throughout the State. Most small businesses are structured in that income flows through their personal tax return. This will nearly double the income tax rate for some small businesses, rendering business ownership even more difficult. As an organization that represents businesses of all sizes, we know how sensitive our small businesses are to this

dramatic financial impact. Many will simply close or will relocate elsewhere if this initiative passes.

Our Chamber members strongly support more resources devoted to our schools and to teacher salaries. In addition to being business owners, we are taxpayers who want our schools to produce outstanding outcomes with the assurance that our kids are ready for tomorrow's jobs. This initiative will not provide the desired result.

We can fund our schools and raise teacher pay without hurting small businesses and the jobs they help create. That's why we supported the 20-year extension of Proposition 301 and the plan that will raise average statewide teacher pay 20 percent by the start of the 2020 school year.

We urge all Arizonans to vote NO on Proposition XXX.

The Tucson Hispanic Chamber Board of Directors

**Laura Paredes Oldaker, Chairwoman, Tucson Hispanic Chamber, Tucson**  
*Sponsored by Tucson Hispanic Chamber*

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My name is Amanda Wilson, and I own a small business in Phoenix.

It's an antique shop that has been in the same location for 25 years. I have been a part of the store since 2002 as an antique dealer, and owner of the entire business for the past 5 years. I'm proud of what I've accomplished as the owner, and love what I do! We have a loyal following of customers that come visit the store on a regular basis. They know we always have an ever-changing inventory to either decorate their homes or add to their special collections.

Arizona has been good to me and my business. That's why when I learned that a government union was targeting small business people like me with a doubling of the income tax, I was shocked and angered!

I'm afraid that if Proposition XXX passes, many local neighborhood businesses like mine may not survive. So what good will a huge tax increase be if we small businesses go under and generate ZERO tax revenue??

Think about my shop. If Proposition XXX passes, it not only puts my job at risk, but also the 50+ long time independent dealers I work with, the moving company - another small business - that delivers to our clients, and the part time staff I employ.

How does hurting us help teachers??

Please consider the tremendous harm Proposition XXX will do to small businesses like mine. Please vote NO on Proposition XXX.

**Amanda Wilson, Phoenix**

*Sponsored by Arizonans for Great Schools and a Strong Economy*

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Companies like Cox Communications agree that a strong education system, preschool through college and trade school, is critical to the success of Arizona's economy and good quality of life. Our employees' children attend Arizona schools, and Cox has supported education funding efforts in recent years to infuse cash into the education system. We have supported needed reforms to education financing and school and teacher performance accountabilities. We also recognize more work needs to be done to make Arizona's education system the best it can be. We do not believe this narrow and permanent individual income tax increase is the right next step to take. The unintended consequences of a poorly written proposition that fails to deliver on promised revenues will leave the Legislature powerless to make changes and Arizona's children will ultimately pay the price.

The danger of placing the education funding burden solely on the backs of a small group of high income earners in Arizona, including small businesses, is significant. Many small businesses and sole proprietors organize their companies so that they file their taxes through the state personal income tax. Should the proposition pass, small businesses that are currently at the highest Arizona personal income tax rate will experience a near doubling of their tax obligation to the state. The impact would be devastating to Arizona and its residents, as the Act encourages small businesses to leave the state. The result will be losses of jobs and tax revenues, and have a chilling effect on Arizona's strong entrepreneurial environment. And because it's ballot box policymaking, our elected officials will be unable to address these negative consequences.

On November 6, we urge you to vote "NO" on Proposition XXX, and stop this dangerous proposal.

**John Wolfe, Senior Vice President, Southwest Region, Cox Communications, Phoenix**  
*Sponsored by Cox Communications*

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Fund education, but not by driving our employers and our children to other states.

Arizona is not only a magnet for new employers to enrich and diversify our employment opportunities, it will also keep generations of our children from moving away to find jobs elsewhere. We now enjoy low unemployment, because of our state tax structure that attracts businesses and encourages entrepreneurs. The American dream is an Arizona reality. But the proposed tax increase will erase this business friendly tax environment.

Four decades ago, I migrated here from another state as a young father eager to begin my career. I soon found it was a great place to start my own business-- believing that with sacrifice I might eventually be rewarded with a bit of prosperity; hopefully enough to share it with those I would hire. I could have chosen California or another state -- with higher taxes -- but Arizona was known for a business friendly climate. Eventually, we were able to hire a number of employees

to high paying jobs . Most of our clients are employers themselves, people with similar ambitions that attracted them to Arizona.

Today, I'm blessed that my own grown children have remained in Arizona, which they have done because small employers are not punished with higher taxes, leaving funds available for more jobs. This is Arizona's reputation. It's what keeps the dream alive for our children and their children to stay and prosper here in Arizona.

I fully support proper funding for education -- but raising taxes on small businesses isn't the right way. We shouldn't choke off our economic engine causing employers to move elsewhere and scatter our children to other states in search of jobs.

### **Stephen Earl, Gilbert**

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I have spent decades studying economics in Arizona with a focus on tax and budget policy, and I always consider both sides of an argument. After careful review, Proposition XXX concerns me greatly. Balance is the key to an efficiently functioning economy. This means we need to tax competitively, but also invest in areas like roads, workforce, education, etc. I have been arguing that we need to spend more on education. The key is to set up a balanced structure that is stable, predictable, and causes no economic harm. This is where Proposition XXX fails.

First, the annual revenue goal of \$690M per year is overstated. This calculation was based on a review of a single tax year and not an average business cycle year. Furthermore, in the past when the economy slowed, revenue from the targeted tax brackets fell by as much as 50% over a multi-year period. This means revenue shortfalls will occur and there will not be enough money to cover the 20% teacher pay goal.

There will also be economic problems. The proposal to significantly raise the tax rate in the higher income tax brackets will throw things out of balance. The term "significantly" is the key. There will be some shifting of residency for tax purposes among the higher income crowd. However, my bigger concern is about lost future opportunity. We will attract fewer entrepreneurs that start new businesses. We will see fewer out of state business relocations as well. On the small business issue, 90% of all taxable income among small business filers comes from the higher tax brackets. These individuals are the ones that reinvest in their operations, including hiring workers and buying equipment. Proposition XXX will constrain this investment.

There are better ways to pay for additional education investment.

**Jim Rounds, President, Rounds Consulting Group, Tempe**  
*Sponsored by Arizonans for Great Schools and a Strong Economy*

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I own a small business. I pay tax and must create a budget that I can live by. I am also a parent.

Do not go through with invest in ed. Arizona doesn't need more money for schools. What it needs is a thorough audit of the public schools. The large administration needs to be downsized, and other cuts to their budget need to happen. Our charters are the best in the nation and do it for half of the money. It is time to allow privatization. It is also time to talk about the problem of illegal immigration and its affects on our school system. You can't have a school where a large percent of people pay little or no tax. Arizona has a big problem.

Do not tax high earners. They create all of the jobs. You don't want them to move. Instead, follow Nevada and remove their taxes. We want more of those people. They invest more in the community than anyone.

Regulation and waste is not the answer. Free market and new ideas are the answer. Look at Basis schools; they turn out much smarter kids than the private schools. This competition will raise teacher pay.

**Howard Dal Monte, Gilbert**

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As a teacher, I appreciate the recent efforts to increase teacher pay and honor my profession. However, the proposed tax hike is not the answer. A thriving economy, healthy families, as well as predictable funding will help us create the education our kids need to be happy and thrive in the future economy. Our economy is growing. State revenues are growing. Why would we kill the momentum? Proposition XXX will kill small businesses and is not the reliable and sustainable funding source we need to plan for our future. I will be voting no.

**Leah Martineau, First Grade Teacher, Queen Creek**  
*Sponsored by Arizonans for Great Schools and a Strong Economy*

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In Arizona, 98 percent of our farms and ranches are family-owned. Our farm families live in communities large and small throughout the state, in both rural and urban areas. That means that our farmers and ranchers have a personal and vested interest in making sure our schools are adequately funded, our teachers are fairly paid, and their children have access to a quality education. Arizona's farmers and ranchers are also small business owners who work day in and day out to make ends meet in a challenging global economy.

Unfortunately, Proposition XXX serves neither of the interests our farm and ranch families hold so dear.

The imposition of an onerous income tax rate on those earning over \$250,000 per year will hit small businesses, including farms and ranches. By shrinking the margin between profit and loss even further, Proposition XXX will force small businesses to cut jobs and close doors – none of which will improve Arizona's ability to restore education funding.

Moreover, this tax will do little to create a sustainable or stable source of funding for education. Income tax is a volatile funding source that is subject to market forces; therefore, it's

unpredictable from year-to-year and cannot be used to increase a teacher's base contractual salary.

Arizona's students and teachers deserve more than a poorly-designed attempt to tax "someone else" in order to solve one of our state's most pressing issues. It is precisely because of our support for Arizona's teachers and schools that we cannot stand behind Proposition XXX. Please join the Arizona Farm Bureau by voting no on this measure.

**Stefanie Smallhouse, President, Arizona Farm Bureau Federation, Gilbert**  
*Sponsored by Arizona Farm Bureau Federation*

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As an Arizona resident and small business owner I am opposed to the tax increase proposed by Proposition XXX.

We must operate within a budget to remain profitable to continue operation as a business ourselves. The free market and competition prevent us from simply raising prices as this initiative is attempting to do. We are coming out of a recession second in devastation to the Great Depression. We are working through a 50% increase in minimum wage recently passed in Arizona. The tax increase proposed in this bill would be another nail in our coffin.

Initiatives like these are what drove many companies out of California. We were one of the states to benefit from their hostile environment. We are creating a hostile environment in Arizona for businesses and residents. A free market does not prosper and employ residents under heavy taxation, but it does under fiscal responsibility.

**John Arterburn, Scottsdale**  
*Sponsored by John Arterburn and Arizonans for Great Schools and a Strong Economy*

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As a small business owner, I am strongly opposed to "Proposition XXX." While well-intended, this proposition falls short. "Proposition XXX's" goal is to secure monies for teachers and classrooms. However, this was already accomplished this year during the legislative session. This milestone was achieved without raising taxes.

In comparison, "Proposition XXX" will inherently raise taxes on the highest earners in the state. This includes small business owners like myself as we pay income tax on our business profits. The tax rate for individuals such as myself would double. We would have the second highest tax rate in the region with California topping the list. This is not an adjustment that we should want for our state.

Arizona is regarded as a business-friendly state. Doubling the tax rate on small businesses will take that attribute away from us.

Do teachers deserve better compensation for their efforts? Absolutely, but that has been resolved with no damage to small businesses. Please join me in voting no on "Proposition XXX."

**Jonathan Lines, Owner, L&L, Yuma**

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The Arizona chapter of Americans for Prosperity ([www.afpaz.com](http://www.afpaz.com)) urges the citizens of Arizona to vote NO on Prop XXX. Prop XXX would turn Arizona into a high-tax state, hurt our state's small business owners and put teacher pay in jeopardy.

Prop XXX would be the largest permanent tax increase in Arizona history, making Arizona's top income tax rate the fifth-highest in the country and the highest in the Southwest region.

According to a Spectrum Location Solutions study, Arizona is one of the top destinations for California companies trying to escape high taxes. If Prop XXX becomes law, those businesses might well decide it is in their self-interest to take their jobs and investments to Texas, Nevada, Utah or Colorado instead.

In addition, Prop XXX will end up doing disproportionate harm to Arizona's entrepreneurs. Most small business owners file their business taxes as personal income tax pass-throughs. If Prop XXX becomes law, their tax rate will double in years when their businesses are successful. Many of our small businesses are currently struggling. Prop XXX would punish them when they finally have a good year. And because Prop XXX would keep the current corporate income tax rate steady, big corporations would pay half the rate small businesses do!

Finally, Prop XXX would make teacher pay dependent on the tax revenue from a very small segment of the Arizona population. During the next recession, those revenues will crash, leaving the state without the funding it needs to pay our hardworking teachers.

Education reform is essential to Arizona's future, but Prop XXX would be a step in the wrong direction.

**Andrew Clark, State Director, Americans for Prosperity, Phoenix**  
*Sponsored by Americans for Prosperity*

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I strongly oppose the passage of "Invest in Education Act". To invest more money into our schools at a time when we have many "D" and "F" rated schools and decreased enrollment would be a great disservice to the citizens of Arizona.

If passed, it will make Arizona the third highest taxed state after New York and California, and will place an unwarranted burden on every citizen in Arizona. Small business owners will stop job growth, sales tax revenues will decrease or completely stop if the business decides to close or relocate outside of Arizona. Donations to the non-profits that our schools, students and community heavily rely on throughout the year will completely stop or be significantly reduced. And the discretionary income of our citizens will be greatly reduced, thereby affecting our economy.

The Initiative's Petition dated April 26, 2018, clearly states that taxes will be levied, collected and paid each taxable year, on the entire taxable income of "every resident of this state" as well as "every nonresident" as follows:

Beginning December 1996-1997 A Married Couple Filing Jointly/Single Head of Household: If taxable income is \$50,001-\$100,000; tax is \$1,570, PLUS 3.90% of the excess over \$50,000.

For taxable years beginning from and after December 31, 2018, Married Filing Jointly/Single Head of Household: If taxable income is \$500,001-\$1,000,000; tax is \$20,622 PLUS 8% of the excess over \$500,000.

For these reasons, I strongly oppose the passage of the "Invest in Education Act" and respectfully request that you vote NO

**Annette Solis, Concerned Citizen, Tucson**

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I am a teacher from many generations of teachers and originally supported Red for Ed, but I oppose Proposition XXX with all my being! Arizonans who pay taxes can pay anywhere from less than 1% to over 5%. This proposition would double or even triple the amount of taxes paid by those who already shoulder the greatest amount of tax burden.

Such a disparity and inequality in taxation between wage earners is reprehensible and borders on socialism. If we, as teachers, want to reinstate the funding the legislature has withheld from education over the years, we need to ask ALL voters to increase the taxes on themselves equally. Proposition XXX penalizes people for being successful; for achieving the American Dream. It is wrong on every level and I pray voters will reject it for what it is.

Small businesses are the backbone of our economy and provide the majority of jobs in America, Arizona included. Proposition XXX will punish successful small business owners who are among our state's top earners. These are the very people who often quietly support our schools with scholarships, gifts and other much needed help.

Over-taxing one small group of individuals and families is un-American and will have a lasting negative impact on our state. It also sets a dangerous precedent—today it is the top 1% we will tax extra. What happens when we disproportionately tax those who earn over \$50,000 tomorrow? Implement this outrageous tax on just a few citizens because they make more than most of us, and Arizona quickly becomes the next California as people and businesses leave by the droves to avoid our high taxes.

Please support education and Arizona best by voting NO on Proposition XXX. We can and should do better for ourselves, our children and our citizens.

**Maryeileen Flanagan, Stanfield**

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As a former math teacher, I have followed the #RedforEd movement closely. While I believe that we can fund teachers, classrooms and support staff better, this initiative is no more effective than our previous attempts. Arizona has seen similar initiatives in the past, marketed to fund education, but they were written poorly and did not protect the funds, so the “designated money” was filtered into other interests. This initiative nearly doubles our income tax, with no guarantee the money will reach our intended target, and we will be left with an unfriendly business environment.

In 2003, my husband and I agreed that it was a good idea for me to leave the teaching profession, become a single-income family, and allow me more time to raise our children. In 2006, my husband’s industry began to crash and we were faced with needing to make some financial changes. Arizona’s business friendly climate was perfect for us to start up a small business and keep our family afloat. Taxes were low, and we were able to keep more of that hard-earned money to use for our family and to put back into our economy.

This income-tax increase, which would give Arizona the fifth highest income tax in the country, is permanent. So, when Arizona is faced with another economic downturn, there is nothing that the governor or state legislature can do to lower these tax rates. It would take another ballot initiative to do that, and by then the damage would already be done, with its consequences long lasting.

The bottom line is that this tax initiative is dangerous for Arizona businesses and families. Speaking as both an educator and business owner, I do not believe this is the solution to help our teachers.

**Genevieve Earl, Mesa**

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WESTMARC opposes the Invest in Education Act because this proposed ballot initiative will have a negative impact on our business community. As other regions in the state, the West Valley continues to recover from the great recession, attracting jobs for our residents in this fast-growing region. We actively compete with other states across the nation for new jobs to sustain our growth, and Arizona’s current income tax structure keeps us in the game. The proposed ballot initiative would turn Arizona into a high-tax state and diminish any competitive advantage currently held. Invest in Education as proposed would take Arizona’s top income tax rate from 38th highest in the nation to 5th highest, putting us in the same range of California.

WESTMARC is a huge supporter of growing our workforce through investments in education. We have demonstrated our commitment to developing our workforce through a public private partnership investment in a workforce development strategy. Successful implementation of this strategy relies on strong business and education community partnerships. However, the Invest in Education Act was hastily crafted without input from the broader education and business stakeholders and severely lacks a community-based solution. In its haste, the Act lacks performance measures and accountability.

We all support our teachers and want to find appropriate funding solutions that also supports our growing economy. So, let’s work together to craft a proposal that will truly strengthen our schools and Arizona’s education system.

WESTMARC is a public private coalition of the government, business and education sectors working together to advance the West Valley for economic prosperity.

**Sintra Hoffman, President and CEO, WESTMARC, Goodyear**

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In March, the Auditor General's report on statewide school district spending revealed an astonishing fact: Funds have existed at the district level for boosting teacher pay all along.

From page two: Since 2004, the school district "instructional spending percentage has declined 4.8 percentage points, while the percentages spent on all other operational areas have increased."

How many dollars is this 4.8% shift away from the classroom? Roughly \$300 million annually -- diverted to other operations. For example, "less efficient districts had costly benefit packages and higher non-instructional staffing levels, operated schools far below designed capacity, did not monitor energy consumption, had poorly written vendor contracts, and paid bus drivers for time not spent working."

On page four we learn that when the new funding arrived from Prop 123—over half a billion dollars in the last two years—little was done to reverse the trend. Additional monies were simply "co-mingled" and spent in basically the same proportions.

But how do our district spending habits measure up nationally? In January the National Center for Educational Statistics published its newest state by state report. Arizona districts' meager 53% of funds making it to the classroom was dead last. 51st place. By comparison, two other states fund education on even fewer dollars per pupil—Idaho and Utah—yet their districts still keep roughly 60% and 63% in the classroom respectively.

How much more, then, could our teachers have been paid if Arizona districts simply matched Utah's efficiency? Nearly \$700 million every year (ironically, virtually the same amount this tax is aiming for). And it's been in district revenues all along. For teachers that's a whopping 17% raise—all without new taxes. Add Ducey's 20% pay increase and teachers end up with a 37% raise.

**Daniel Earley, Gilbert**

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