

Tribune

EAST VALLEY • SCOTTSDALE

April 25, 2008

Governor backs new sales tax for roads, transit

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Gov. Janet Napolitano says her support for a new sales tax to fund road and transit projects doesn't violate her pledge not to raise taxes to balance the state budget.

Penny hike in sales tax eyed for transportation [<http://www.eastvalleytribune.com/story/114405>]

The governor said Wednesday there is no need to increase taxes even in the face of a potential \$2 billion gap between anticipated revenue and spending.

Instead, she has a package that relies heavily on borrowing, with some other "revenue enhancements" like collecting \$90 million from motorists caught by the new photo enforcement system she had directed the Arizona Department of Public Safety to deploy.

At the same time, the governor acknowledged there is no way for the state to meet its long-term transit needs with the existing flow of gasoline taxes, vehicle registration fees and federal highway aid.

And that, she said, is why she backs plans by business leaders to ask voters to increase the state sales tax by a penny, to 6.6 percent.

But that, she said, is not the same as pushing for higher taxes.

"I'm supporting the voters being able to select, do they want a comprehensive transportation plan," Napolitano said.

"This state continues to grow," she explained, with the current population of about 6.4 million expected to hit 10 million within one or two decades.

She said that means the need for not just more roads, inter-city rail and mass transit but even van pools for senior citizens.

And Napolitano said the state's current red ink is irrelevant.

"Even if we had a regular budget, not a deficit budget, you would not be able to afford the kind of comprehensive infrastructure investment that entails," she said.

While Napolitano said the idea is to put the issue on the November ballot for voter review, she made it clear she does have an opinion on how they should vote on the tax increase, which would raise more than \$42 billion over its 30-year life.

"I absolutely support it," she said. "I think it's good for Arizona, I think it moves us forward, I think we need to be looking forward to what we need to get from Point A to Point B."

And she said that includes having voters "evaluate how much time we spend stuck in traffic now because of not having adequate transportation corridors."

Marty Shultz, lobbyist for Arizona Public Service Co., said the finishing touches are being put on the package this week, with the initiative drive expected to be launched next week. Backers have until July 3 to get the 153,365 signatures necessary to put the issue before voters in November.



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