



STATE OF ARIZONA

JANICE K. BREWER
GOVERNOR

EXECUTIVE OFFICE

April 30, 2014

The Honorable Ken Bennett
Secretary of State
1700 West Washington
Phoenix, Arizona 85007

Re: House Bill 2664 (income tax revisions)

Dear Secretary Bennett,

Today, I vetoed House Bill 2664, which would have permanently increased the maximum individual and corporate income tax deduction for the purchase of qualifying machinery and equipment from \$25,000 to \$500,000.

I have several concerns with this proposal. First, this legislation would have isolated one provision of the Internal Revenue Code (IRC) and enacted it permanently into Arizona law. This is inconsistent with the state's longstanding policy to consider each year whether to conform to the IRC in the context of other tax policy and budget considerations. Second, enacting this change would cost the state \$25 million in fiscal year 2015. It is imperative that we marshal available resources to create and appropriately fund a new child safety agency. Accordingly, the money would be better utilized to fund critical child safety functions, services and reforms.

These concerns are among the primary reasons I vetoed House Bill 2664.

Sincerely,

A handwritten signature in cursive script that reads "Janice K. Brewer".

Janice K. Brewer
Governor

cc: The Honorable Andy Tobin
The Honorable Andy Biggs
The Honorable J.D. Mesnard