STATE OF ARIZONA

JANET NAPOLITANO
GOVERNOR

OFFICE OF THE GOVERNOR
1700 WEST WASHINGTON STREET, PHOENIX, AZ 85007

MAIN PHONE: 602-542-4331
FACSIMILE: 602-542-7601

May 8, 2007

The Honorable Timothy S. Bee
President
Arizona State Senate
1700 West Washington Street
Senate Office Building
Phoenix, Arizona 85007

Re: Senate Bill 1320: sales tax exemption; commercial photography

Dear President Bee:

Today I vetoed Senate Bill 1320, which would have created a statutory sales tax exemption related to commercial photography.

Of the 46 states in the country that tax gross receipts, only four exempt commercial photography. Contrary to the sponsor's assumptions, commercial photography has been subject to taxation in Arizona for decades, and the Department of Revenue has regularly opined to that effect in writing. Thus, the Department of Revenue has not changed its position. Moreover, I see no compelling reason why we should deviate from the vast majority of other states and create a different tax treatment between photographers who sell to "commercial purchasers" versus those who sell to individual purchasers.

For these and other reasons, I have vetoed Senate Bill 1320.

Yours very truly,

Janet Napolitano
Governor

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cc: The Honorable Jim Weiers
The Honorable Barbara Leff