STATE OF ARIZONA

JANICE K. BREWER
GOVERNOR

EXECUTIVE OFFICE

June 26, 2013

The Honorable Ken Bennett
Secretary of State
Capitol Executive Tower, 7th Floor
1700 West Washington
Phoenix, Arizona 85007

Re: House Bill 2439 (income tax brackets; inflation index)

Dear Secretary Bennett,

Today, I vetoed House Bill 2439, which would have required the Department of Revenue to annually adjust individual income tax brackets to account for inflation. I support appropriate adjustments to relieve the individual income tax burden and adjusting tax brackets for inflation is one way that can effectively address that burden. However, such action should not occur automatically. Instead, the Legislature should make those adjustments after careful consideration and in relation to other tax and expenditure decisions. Similar to statutorily required spending increases, automatic inflation adjustments on the revenue side of the ledger hinders future decision making and may create a structural imbalance over time.

I am willing to work with the sponsor on appropriate individual income tax relief that takes in to account the circumstances we will face in the next fiscal year.

These concerns are among the primary reasons I vetoed HB 2439.

Sincerely,

Janice K. Brewer
Governor

cc: The Honorable Andy Tobin
The Honorable Andy Biggs
The Honorable Justin Olson

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