



NEWS RELEASE

Arizona House of Representatives

Representative Vince Leach (R-11)

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FOR IMMEDIATE RELEASE

Representative Leach Introduces Bill to Close Government Property Lease Excise Tax Loopholes *GPLET Loopholes Shortchanging K-12 Education*

STATE CAPITOL, PHOENIX – Representative Vince Leach (R-11) today introduced HB 2213, a bill to close several loopholes related to the Government Property Lease Excise Tax (GPLET) and direct a portion of that revenue to local school districts.

GPLET is levied in lieu of property taxes when governments lease publicly-owned property to private businesses.

Current law allows for an eight-year abatement on both property tax and GPLET for businesses leasing government property in central business districts in order to allegedly combat slums and blight. However, governments have frequently abated GPLET in some of the most expensive districts in the state rather than combat slum and blight. This has created massive disparities in taxpayer burden with neighbors owing vastly different amounts of tax.

Additionally, an [Auditor General report](#) from 2015 found widespread miscalculation and underpayment of GPLET.

When local governments extend abatements to developers, it deprives school districts of tax revenue. State taxpayers are forced to make up the difference through elevated payments to those school districts.

“Not only does the current GPLET structure allow governments to pick winners and losers instead of the marketplace, it forces the state to pick up the tab,” said Leach. **“By closing these loopholes, we can infuse school districts with increased tax revenue for K-12 education and help put the state on more stable fiscal footing.”**

Specifically, the bill would prohibit abatement of the portion of GPLET dedicated to school districts; remove a 10-year grandfather window added when GPLET was overhauled in 2010; require governments, not lessees, to calculate owed GPLET; narrow the definition of "central

business district" so governments cannot provide abatement solely for economic development purposes.

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