



MEMORANDUM

Date: March 6, 2015

To: Tom Burke, Director
Finance and Risk Management

From: C.H. Huckelberry
County Administrator

Robert Johnson, Budget Manager
Finance and Risk Management

Re: **Segregation of State-imposed Property Tax Transfers on Property Tax Statements**

For a number of years, we have discussed the need to provide more transparent information to Pima County taxpayers and whether these taxpayers are fully aware that nearly one-third of their primary property tax bill is mandated by the State of Arizona. If 100 taxpayers were surveyed, I believe the vast majority would be unaware of state-imposed financial tax transfers from the County to support state operations. For this reason, in the upcoming budget adoption and subsequent tax bills distributed to all property taxpayers in Pima County, the tax costs should be segregated for transparency and Truth in Taxation purposes. Specifically, any state cost transfer should be reported in the aggregate as a state-imposed County property tax.

For simplicity purposes, the County property tax bill could contain two lines on for the primary rate. One entitled County State-imposed Primary and the other just entitled County Primary.

This would meet the spirit of State Truth in Taxation laws where the state wants to ensure the taxpayer is aware of the responsible jurisdiction for the imposition of property taxes.

While such a segregation is important on the property tax bill, it is also important to segregate these state-imposed County primary property taxes in the upcoming budget. Therefore, I would appreciate your input on how to clearly identify in the budget two County primary property taxes: 1) imposed by the State and 2) imposed by the County.

In addition, please consult in advance with printers and those who program the printing and distribution of the property tax statements to ensure credit is appropriately given to the jurisdictions that impose property taxes through the County, including the State of Arizona.

CHH/anc