Legislative Leaders Address ATRA Outlook Luncheon
Budget Deficit Dominates Discussion

The top leadership from the Arizona Legislature addressed the 300 hundred in attendance at the ATRA Outlook Conference in November. Not surprisingly, the state’s current year budget deficit, as well as the on-going structural deficit, was the focus of most of the leadership’s remarks.

Speaker of the House Kirk Adams led off the luncheon speeches by updating the attendees on how deep the current year deficit had become. He noted that the state’s struggling economy continues to cause state tax revenues to fall below budgeted estimates, noting that the fiscal year 2010 deficit reached a high of $2 billion. Speaker Adams then focused his remarks on the importance of getting Arizona’s economy moving again through policies that encourage job creation. The Speaker emphasized that the only possible way for the state to return to a balanced budget over the long haul was to reverse the downward economic spiral that the state has seen for the last three years.

Following the Speaker, Senate Minority Leader Jorge Luis Garcia provided the attendees a perspective from the Democrats’ side of the aisle. Senator Garcia said that Senate Democrats recognize that budget reductions need to be a part of any deficit reduction strategies but wanted those cuts to be implemented in conjunction with increased taxes. Senator Garcia argued that the size of the deficit dictates that budget reductions

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Congressman Flake Receives ATRA’s Watchdog Award

Several years ago, ATRA instituted its Watchdog Award as a way of honoring an Arizona elected official for the often thankless work of opposing frivolous and wasteful spending of taxpayers’ dollars. ATRA was honored to present the 2009 Watchdog Award to Congressman Jeff Flake in recognition of his tireless advocacy of taxpayers’ rights and his principled stands against wasteful spending in our nation’s capital.

ATRA Chairman Dick Foreman presented Flake the award at a November 20th luncheon at the Fiesta Inn Resort and Conference Center. “While fighting in the trenches for taxpayers is difficult work,” Foreman said, highlighting some of Flake’s accomplishments, “it has bolstered Congressman Flake’s reputation in Washington where he is one of the leading Republicans in the House of Representatives in the fight against wasteful spending. Congressman Flake is an outspoken critic of the congressional practice of earmarking appropriations for members’ pet projects. He has offered several bills and amendments to curb the practice and has become a prominent leader in the earmark reform effort.”

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Treasurer Martin Describes State’s Cash Flow Woes at the ATRA Outlook Luncheon

As the Legislature continued its fourth-special-session attempt to address the state’s budget deficit, State Treasurer Dean Martin described to the attendees of the ATRA Outlook Luncheon that the state is literally out of cash.

According to the treasurer, the state has been borrowing against internal accounts to this point and has amassed IOU’s in excess of $500 million. Martin explained that this historic cash deficit exceeds the state’s limit on this internal line of credit. Consequently, the state was required to seek an external line of credit for the first time since the Great Depression.

On the day prior to the ATRA luncheon, the treasurer, together with the state loan commission, approved an external line of credit with Bank of America totaling $700 million. This new line of credit will enable the state to continue to make its payroll and other spending obligations for a few additional weeks while the budget crisis remains unsolved.

“Government spending in Arizona is out of control. We are more than three-quarters of $1 billion in the red for daily operations,” said Treasurer Dean Martin. “The Governor and Legislature need to reign in excessive spending; we can no longer afford to continue spending more than we make.”

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Recognizing the Congressman’s efforts to reduce the taxpayer’s burden, Chairman Foreman described the important role Flake played in the passage of the Economic Growth and Tax Relief Act of 2001 and the Jobs and Tax Relief Act of 2003. Explaining that these efforts — along with his leadership toward permanently lowering dividend and capital gains rates, making individual tax rate reductions permanent, and eliminating the death tax — have not only garnered ATRA’s recognition, Foreman said, “[Flake] is consistently rated among the most fiscally responsible and taxpayer friendly members of Congress. For the past five years, Congressman Flake has been ranked number one out of 435 members of the House of Representatives by the National Taxpayers Union on votes beneficial to taxpayers. Americans for Tax Reform also named him a ‘Hero of the Taxpayer.’ The Council for Citizens Against Government Waste, after evaluating 100 votes during the 110th Congress, named Congressman Flake a ‘Taxpayer Super Hero.’ Congressman Flake was one of only three members of Congress to receive this distinction.”

In accepting the award, the Congressman joked that this recognition is a nice payoff for his years of being a “tightwad.” And that if anyone doubted his stinginess they needed to just speak to his wife Cheryl who accompanied him to the luncheon. Attendees laughed as he continued in jest that his hair was looking a little long because Cheryl hadn’t gotten around to cutting it, but he expected her to take care of it that afternoon—right after she finished changing the oil in the family car. The Congressman then provided an insightful update on Congress’s proceedings and graciously thanked ATRA and its sponsors for their support of efforts to reduce wasteful spending and protect taxpayer dollars.

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alone will not solve the problem.

Senate President Bob Burns wrapped up the remarks by leadership by focusing on the need to reduce spending to close the deficit. Senator Burns repeatedly made the point that the downturn in the economy necessitates the reductions. In defending the budget cuts, he said that it is the economy that is driving the need to reduce spending — not the political motivations of individual legislators. Senator Burns reinforced the point that there are few, if any, choices left to be made that most legislators are happy about: including raising taxes. He noted that budget cuts alone would not close a $3 billion deficit and that some tax increases would be necessary.
ATRA Posthumously Recognizes Joe Usher with the Outstanding Member Award

On behalf of the ATRA Board of Directors, Jason Bagley, Intel’s representative on ATRA’s Board of Directors, presented this year’s Outstanding Member Award posthumously to Joe Usher who passed away this past spring.

Joe’s career at Intel spanned some 15 years, all of which were in the Intel tax department where he did exceptional work on behalf of a company that was expanding rapidly in Arizona, and as a result, faced many complicated tax issues. During his career at Intel, Joe was a fixture in the state and local tax community. He was a member of the ATRA Board of Directors representing Intel during his entire career and rarely missed a monthly board meeting. He was also a regular at the monthly ATRA Tax Practitioners Committee meetings.

Joe lent his expertise in state and local taxation to a number of tax policy initiatives at ATRA over the years. He spent countless hours working in conjunction with ATRA staff on a number of studies for the Citizens Finance Review Commission.

In describing him, Jason noted that “Joe was truly a gentle giant and a man of few words with a friendly smile.” Jason credited that gentle demeanor as the reason why everyone would listen to Joe whenever he would offer his opinion on tax policy issues and that his expertise will be greatly missed by the organization.

In presenting the award to Joe’s wife Anna and two daughters, Anna and Barbara, Jason thanked them for attending the luncheon to receive the award in Joe’s honor and added, “Like you, we miss Joe very much and want to thank you for sharing him with us for so many years.”

ATRA Committee Chairmen Announced

The ATRA Executive Board of Directors appointed its Committee Chairmen for the upcoming year at its annual meeting on November 20, 2009.

Jason Bagley was appointed for his second term as the Chairman of the ATRA Legislative Policy Committee. The Committee meets regularly throughout the legislative session to review the impact of proposed legislation and to coordinate advocacy efforts on important public finance and tax legislation.

Also appointed was the Chairman of the ATRA Tax Practitioner’s Committee Barb Dickerson and Vice Chairman Chris Kelling, both of whom bring many years of in-depth tax expertise to the committee. The ATRA Tax Practitioner’s Committee, which is composed of tax professionals, monitors tax policy and administration at both the state and local level, as well as recommends legislation that promotes sound tax policy.
2009 ATRA Outlook Luncheon

ATRA members Jim Norton (left) and Elaine Arena (right) visit with Senate President Bob Burns (center) prior to the luncheon.

ATRA board member Bas Aja of the Arizona Cattlemen’s Association (right) converses with Secretary of State Ken Bennett (left).

ATRA Vice-Chairman Jason Bagley of Intel (left) visits with Jessica Pacheco of APS (center) and Michael Stull of Cox Communications (right).

Newly elected ATRA Chairman Larry Lucero of Tucson Electric Power (center) catches up with Chris Kelling (PetSmart) and Jennifer Cox (TEP).

ATRA Chairman Dick Foreman of Southwest Gas (right) converses with Tony Astorga of Blue Cross Blue Shield of Arizona (left).

Panel of Speakers: (left to right) Treasurer Dean Martin, Congressman Jeff Flake, ATRA Chairman Dick Foreman, Senate President Bob Burns, House Speaker Kirk Adams, Senate Democrat Leader Jorge Luis Garcia
Larry Lucero Elected New ATRA Chairman

Larry Lucero, the Manager of Governmental Relations for Tucson Electric Power, was elected as the Chairman of Arizona Tax Research Association’s Board of Directors at the 69th Annual Meeting. Mr. Lucero replaces Dick Foreman from Southwest Gas Corporation who served the last two years as ATRA’s Chairman.

The other officers elected with Mr. Lucero were Jason Bagley, Intel Corporation, first vice-chair; Samantha Omey, Honeywell, second vice-chair; Barb Dickerson, Deloitte Tax LLP, third vice-chair; Dave Minard, Individual, Secretary/Treasurer.

The following members were elected to seats on the ATRA Board of Directors for terms expiring in 2014: Barbara Dawson, Snell & Wilmer; Barb Dickerson, Deloitte Tax LLP; Dick Foreman, Southwest Gas Corp; Susan Anable, Cox Communications; Russell Smoldon, Salt River Project; Lori Daniels, State Farm Insurance; Bas Aja, Arizona Cattlemen’s Association; Tim Lawless, National Association of Industrial and Office Properties; Bill Molina, Apollo Group, Inc.

In accepting his nomination as the new ATRA Chairman, Larry Lucero said “I’m honored to serve as the chair of Arizona’s leading tax policy organization at such an important time in our state’s history. I will work to ensure that ATRA continues to provide Arizona policymakers with sound fiscal solutions to meet our current challenges.”