

Ballot Proposition 126
Protect Arizona Taxpayers Act
Fiscal Impact Summary

A.R.S. § 19-123E requires the Joint Legislative Budget Committee Staff to prepare a summary of 300 words or less on the fiscal impact of voter-initiated ballot measures. Proposition 126 would amend the Arizona Constitution by prohibiting state and local governments from imposing any new or increasing any existing transaction-based fee or tax, including a transaction privilege (sales) tax, on any service performed in the state. Proposition 126 would not repeal or nullify any tax, fee, or other assessment in effect before January 1, 2018. The level of foregone revenue under Proposition 126 cannot be determined in advance as it would depend on the specific details of a particular proposal to tax services.

If Proposition 126 is approved by voters and later challenged in court, and if the Attorney General does not defend the measure, any resident of the state could pursue litigation to enforce its provisions. If the resident prevails in litigation, Proposition 126 would require the state or local government to pay the resident's attorney fees and other legal costs to the resident. The amount of such costs, if any, cannot be determined in advance.