

From the Phoenix Business Journal

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Construction industry asks Brewer to delay tax changes

Oct 2, 2014, 1:00pm MST



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Contractors and builders want a special legislative session and a six-month reprieve from changes to Arizona's tax system.

Simplifying Arizona's sales taxes for businesses is turning out to be not so simple, at least according to some construction contractors and builders

A group contractors and builders are asking Arizona Gov. [Jan Brewer](#) to convene a special session of the Legislature before the end of the year to address problems they have with sales taxes changes coming in 2015.

The construction industry also wants sales tax centralization changes slated to go into place during January to be put off until July.

The Governor's Office is not interested in an election special session and wants to deal with the issue next year when the state assembly reconvenes.

"With the implementation of any bold reform package, there can be issues to arise potentially requiring review. However, we're confident that such issues can be appropriately handled during the regular session," said Brewer spokesman [Andrew Wilder](#).

The Legislature-approved bills centralizes state and local sales tax payments, reports and audits with the Arizona Department of Revenue.

The changes replace a current complicated systems where contractors, builders and other business have to file reports and make payments in all cities where they conduct business. ADOR has created a web portal, AzTaxes.org, for the centralized system. The new rules kick off in January.

But there are some complications to the issue, according to Kevin DeMenna, a lobbyist and representative for the construction industry.

The industry contends many businesses are confused about the changes and where they will have to file taxes, and there are questions to whether state and cities are also ready for the January rollout.

There have also been challenges on how and where to tax construction projects. DeMenna said in a letter to Brewer it would be best to delay the sales tax reforms.

Approximately 350 companies and business groups have signed the letter to Brewer.

Mike Sunnucks writes about residential and commercial real estate, government, law, sports business and workplace issues.