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**BUSINESS**

**Printers now get tax break**

Enterprise zone is helping four such local firms

By Jennifer Tramm

FOR THE ARIZONA DAILY STAR

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Four of Tucson's commercial printers are taking advantage of a change in a state business tax-incentive program that will allow them to chop 40 percent to 60 percent off their property taxes this year.

Spectrum Printing Co. LLC, 4651 S. Butterfield Drive, is one of four that qualified for the first time in 2007 under the Arizona Enterprise Zone program.

The company's owner, George Stewart, said he had not heard that the benefit was open to printers until one of his "friendly competitors" let him in on the news.

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Economic Opportunities.

To get the property tax credit, companies must be either woman-owned, minority-owned or have fewer than 100 employees, Swift said.

Businesses must also be independently owned and operated and have invested \$2 million in fixed assets.

Eligible manufacturers in enterprise zones had been getting the property tax reductions since 1993.

This year is the first time commercial printers have been expressly eligible for property-tax benefits.

Before lawmakers redefined what qualified as a manufacturer for the program, commercial printers were largely left out of the tax-cut bonanza available to companies doing business in designated enterprise zones, Swift said.

Essentially, commercial printers already met the definition of taking a raw product and making it into a new product, Swift said, but that business segment was excluded by the Arizona Department of Revenue.

**64 state businesses in program**

By opening up the program, 10 of the 29 businesses admitted statewide this year were commercial printers, making up 34 percent of all newcomers to the program.

So far, 64 businesses are in the program statewide. It allows each to take the property-tax reduction for a maximum of five years.

John Davis, owner of Arizona Lithographers, 351 N. Commerce Park Loop, said he had tried to get the tax reduction many years ago but found he was ineligible.

"I was notified in September I would be eligible, so I immediately filed," he said.

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Joe Vega of Spectrum Printing operates a four-color press. Spectrum, 4651 S. Butterfield Drive, is one of four commercial printing firms in Tucson that now qualify for a large property-tax break under the Arizona Enterprise Zone program.

DAVID SANDERS / ARIZONA DAILY STAR

**BUSINESSES ELIGIBLE FOR TAX ABATEMENT**

To qualify for the Arizona Enterprise Zone program tax abatement, a manufacturing or commercial printing business must:

- Be woman-owned, minority-owned or small (fewer than 100 employees or with less than \$4 million in gross annual receipts).
- Be independently owned and operated (no more than 50 percent owned by another entity).
- Have invested \$2 million in fixed assets.

Paul Swift of Tucson Regional Economic Opportunities Inc. encourages anyone with questions about the program to contact him at 243-1947 or paul.swift@treoaz.org. More information can also be found at www.treoaz.org, in the Business Resources section.

**NEWLY ELIGIBLE**

Newly certified Tucson businesses for the Enterprise Zone's property tax credit:

- Abrams Airborne Manufacturing Inc.
- Arizona Canning Co. LLC.
- Joelcorp Inc., dba West Press
- Macsteel Service Centers USA Inc.
- Poly Print Inc.
- Southern Arizona Graphic Associates Inc..

He expects a property tax savings of almost \$5,000 per month, which, over five years, could save him close to \$300,000.

"It's a very practical way of assisting businesses who are providing for investment in their community," he said. "Every time we are investing in equipment, we are also investing in personnel and growing our community."

The application procedure is fairly simple, Davis said. If businesses meet investment and other criteria, it's just a matter of providing that documentation.

The Arizona Department of Commerce was helpful and patient, he added.

In addition to the four printers, three Tucson manufacturing companies were admitted into the property-tax-reduction program, including Abrams Airborne Manufacturing, 3735 N. Romero Road.

Company Vice President Jenny Abrams Wilson said the property-tax reduction would help the company a great deal.

"Our property tax here is tremendous," she said, amounting to about \$180,000 annually.

Wilson said her tax savings could be around \$100,000 annually, which is a huge chunk out of a business.

"Without all that money going out to property tax, we'd like to expand," Wilson said. "It would help us in all areas."

The savings could help pay for employees' 401(k) and profit-sharing plans, she said.

It will also help the company pay for employees' health benefits, which are covered 100 percent by Abrams Airborne, a family-owned and -operated manufacturer in Tucson for 42 years.

"If (the program) encourages employers to come to Tucson, I think that's a great idea," Wilson said. "It's extremely hard to get established in Tucson."

**"Can't just put it in the bank"**

Stewart, of Spectrum Printing, wouldn't say what he plans to do with the tax savings, but said plans could include staff training and instruction and possibly some labor-saving equipment.

"You can't just put it in the bank," he said.

"There's just an awful lot of competition," Stewart said. "You just have to be better than the next guy to survive."

Last year's legislation gave more clarity to the definition of what companies are eligible, Swift said.

The program has been extended several times over the years since its inception. Lawmakers have extended it again until 2011.

• *Jennifer Tramm is a University of Arizona student who is apprenticing at the Star. Contact her at 573-4181 or starapprentice@azstarnet.com.*



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dba Arizona Lithographers.

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