

Military Reuse Zone in Goodyear, Arizona

MRZ Reduces Your Taxes

The Arizona legislature established the Military Reuse Zone (MRZ) Program to lessen the impact of military base closures. The program achieves this goal by providing tax incentives to aviation or aerospace companies, insurers and airport authorities located within a MRZ.



Property Tax Reclassification

UP TO 72% IN SAVINGS

- Aviation or aerospace companies are eligible for both real and personal property reclassification from class one (18% assessment ratio) to class six (5% assessment ratio), which may result in property tax savings of up to 72% for a period of five years.
- The reclassification runs for five years as long as the company remains in the MRZ, maintains its certification, submits an annual report to the Arizona Commerce Authority, and annually requests the County Assessor to reclassify the property. At the end of the reclassification period, the property reverts to the standard assessment ratio.
- Any <u>addition or improvement to property</u> qualifies separately for reclassification under the program for not more than five tax years.

Transaction Privilege Tax (TPT) Exemption

- Aviation or aerospace companies and Airport Authorities are offered an exemption from the TPT on construction contracts performed at an MRZ.
- The exemption applies only to state and county taxes; cities impose their own taxes.
- A prime contractor must apply for a letter of qualification from the Arizona Department of Revenue prior to work beginning on the contract to receive the exemption. In addition, the company or airport authority must submit a completion report to the Arizona Commerce Authority to maintain eligibility.







