Arizona

## State and local tax shares of family income

## Total Taxes

Share of family income
11.8\%


Sales \& Excise Taxes
Share of family income


## Personal Income Taxes

Share of family income


Property Taxes
Share of family income


Note: All figures and charts show 2024 tax law in Arizona, presented at 2023 income levels. Senior taxpayers are excluded for reasons detailed in the methodology. Our analysis includes nearly all (99.9 percent) state and local tax revenue collected in Arizona. As seen in Appendix D, recent legislative changes have significantly increased the regressive tilt of Arizona's tax system. The top 1 percent of earners received the largest tax cuts, at 2.3 percent of income, and the state moved 14 spots in the ITEP Inequality Index rankings, from 27th to 13th most regressive.

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Individual figures may not sum to totals due to rounding．

| Income Group | Lowest 20\％ | Second $20 \%$ | Middle 20\％ | $\begin{aligned} & \text { Fourth } \\ & 20 \% \end{aligned}$ | $\begin{aligned} & \text { Next } \\ & \text { 15\% } \end{aligned}$ | $\begin{gathered} \text { Next } \\ 4 \% \end{gathered}$ | $\begin{gathered} \text { Top } \\ \text { 1\% } \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Income Range | $\begin{aligned} & \text { Less than } \\ & \$ 22,200 \end{aligned}$ | $\begin{gathered} \$ 22,200 \text { to } \\ \$ 42,800 \end{gathered}$ | $\begin{gathered} \$ 42,800 \text { to } \\ \$ 70,500 \end{gathered}$ | $\begin{aligned} & \$ 70,500 \text { to } \\ & \$ 129,600 \end{aligned}$ | $\begin{aligned} & \$ 129,600 \text { to } \\ & \$ 254,500 \end{aligned}$ | $\begin{aligned} & \$ 254,500 \text { to } \\ & \$ 596,600 \end{aligned}$ | $\begin{gathered} \text { Over } \\ \$ 596,600 \end{gathered}$ |
| Average Income in Group | \＄12，500 | \＄30，500 | \＄54，700 | \＄96，800 | \＄165，200 | \＄355，200 | \＄1，044，500 |
| Sales \＆Excise Taxes | 7．7\％ | 7．0\％ | 6．2\％ | 5．0\％ | 3．9\％ | 2．8\％ | 1．7\％ |
| General Sales－Individuals | 4．6\％ | 4．7\％ | 4．3\％ | 3．5\％ | 2．7\％ | 1．8\％ | 0．8\％ |
| Other Sales \＆Excise－Ind． | 1．7\％ | 0．9\％ | 0．6\％ | 0．4\％ | 0．3\％ | 0．2\％ | 0．1\％ |
| Sales \＆Excise－Business | 1．4\％ | 1．4\％ | 1．2\％ | 1．1\％ | 0．9\％ | 0．8\％ | 0．8\％ |
| Property Taxes | 3．7\％ | 2．3\％ | 2．4\％ | 2．4\％ | 2．1\％ | 1．7\％ | 1．6\％ |
| Home，Rent，Car－Individuals | 3．4\％ | 1．9\％ | 2．1\％ | 2．1\％ | 1．7\％ | 1．2\％ | 0．7\％ |
| Other Property Taxes | 0．4\％ | 0．4\％ | 0．4\％ | 0．3\％ | 0．4\％ | 0．5\％ | 0．9\％ |
| Income Taxes | 0．3\％ | 0．8\％ | 1．2\％ | 1．6\％ | 1．8\％ | 1．8\％ | 1．8\％ |
| Personal Income Taxes | 0．3\％ | 0．7\％ | 1．1\％ | 1．6\％ | 1．7\％ | 1．7\％ | 1．7\％ |
| Corporate Income Taxes | 0．1\％ | 0．1\％ | 0．1\％ | 0．1\％ | 0．1\％ | 0．1\％ | 0．1\％ |
| Other Taxes | 0．1\％ | 0．1\％ | 0．1\％ | 0．1\％ | 0．1\％ | 0．0\％ | 0．0\％ |
| TOTAL TAXES | 11．8\％ | 10．1\％ | 9．8\％ | 9．1\％ | 7．8\％ | 6．3\％ | 5．0\％ |

## ITEP Tax Inequality Index

ITEP＇s Tax Inequality Index measures the effects of each state＇s tax system on income inequality．According to this measure，Arizona has the 13th most regressive state and local tax system in the country．Income disparities are larger in Arizona after state and local taxes are collected than before．（See Appendix B for state－ by－state rankings and the report methodology for additional detail．）

Tax features driving the data in Arizona

| Refundable income tax credit <br> to offset the impact of sales <br> taxes |
| :---: |
| Requires combined reporting <br> for the corporate income tax <br> but excludes profits booked <br> overseas，including in tax <br> haven countries |
| No property tax＂circuit <br> breaker＂credit for low－ <br> income，non－senior taxpayers |
| Partial income tax exclusion |
| for capital gains income |
| Comparatively high reliance |
| on sales and excise taxes |

State sales tax base excludes groceries


