ARIZONA'S INDIVIDUAL INCOME TAX

- Arizona has the 6th lowest income tax rate for individuals in the highest tax bracket (starting at $150,001 for single filers/$300,001 for married filing jointly filers). Arizona's highest rate is 4.54%. (Federal of Tax Administrators)

- For every $100 of personal income, Arizonans pay $1.32 in individual income taxes compared to the national average of $2.28. Arizona ranks 40th out of 43 states that have income taxes. (Bureau of Census and Bureau of Economic Analysis, 2012 data)

- Nationally, only 2.7% of individual income tax filers are small businesses that have any paid employees, profits from those businesses account for less than 4% of the income of households with incomes over $100,000. (Center on Budget Policy and Priorities, "Cutting State Personal Income Taxes Won't Help Small Businesses Create Jobs and May Harm State Economics")

- Business owners using the individual income tax return simply carry over their adjusted gross income from the federal income tax return. There's little to simplify.

- Employee salaries, commissions and benefits are already fully deductible from taxable income for small businesses (Schedule C).

- Revenues from Arizona's state and local sales taxes combined rank 6th out of the 46 states that have a general sales tax. For every $100 of personal income, Arizonans pay $3.67 in general sales tax. (2012 data - Bureau of Census and Bureau of Economic Analysis)

- 95% of Arizonans pay more in general sales taxes than in state income taxes.

- The balance and fairness of any tax system depends on the impact of all the taxes an individual or family pays. State and local sales taxes always take a bigger bite out of the income of taxpayers at the lowest income levels. Arizona's graduated income tax partially offsets the impact of the sales tax on low-income taxpayers. The lowest income Arizonans pay $12.50 out of every $100 of income on state and local taxes while the wealthiest 1% pay only $4.60.
Arizona Has Nearly $6 Billion in Unpaid Obligations

*As of end of FY 2014
Sources: Joint Legislative Budget Committee Staff, Appropriations Report FY 2015 and FY 2014 Debt and Lease-Purchase Financing Report

Arizona Families with Lowest Incomes Pay a Higher Portion of their Income in State and Local Taxes than Taxpayers with Higher Incomes