



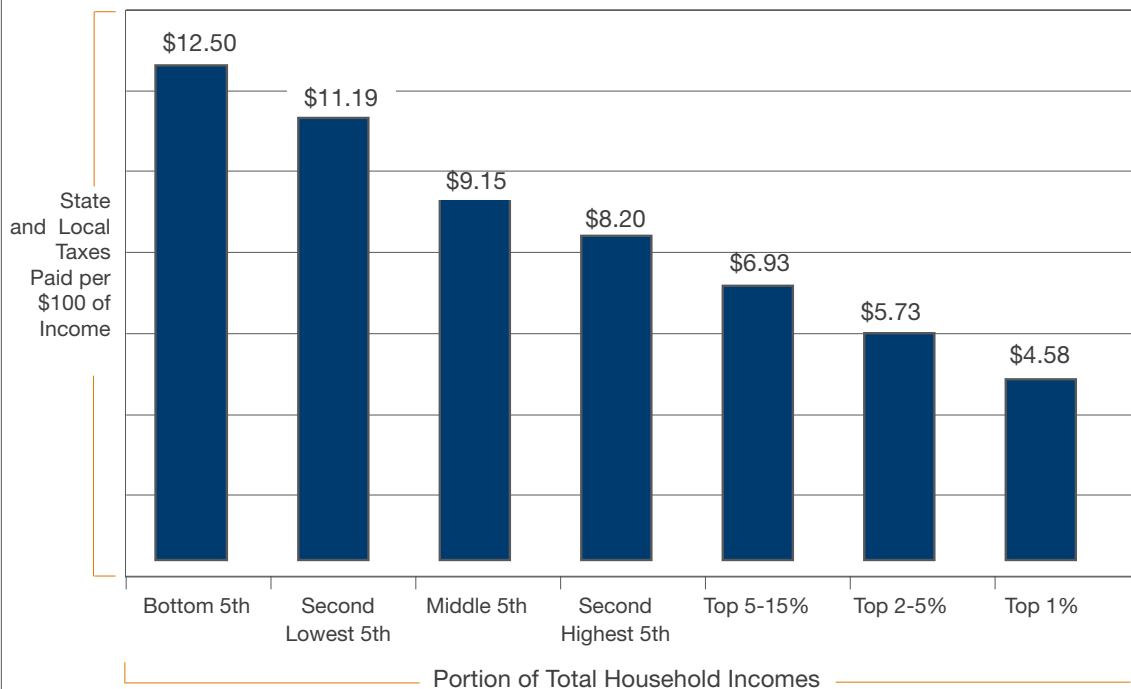
TAX CUTS AND TAX CREDITS

Do low-income families pay their share of taxes?

Yes. All families in Arizona help pay for health, education, and public safety through state and local taxes. Low-income families pay a larger portion of their income in taxes than do wealthier families.

When all types of state and local taxes are combined—income, sales and property—families with incomes in the bottom fifth pay nearly three times what families in the top 1 percent do—\$12.50 for every \$100 of income compared to \$4.58 for the highest income families. Sales taxes make up the largest portion of the taxes paid by those with the lowest incomes. Families with the lowest incomes in Arizona also pay more of their income in state and local taxes than do the lowest income families in neighboring states.

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



Source: Institute on Taxation & Economic Policy, *Who Pays?*, January 2015.