

# Tax Facts & Comparisons

## Arizona

Taxes are complicated. Each state's tax code is a multifaceted system with many moving parts, and Arizona is no exception. The Tax Foundation produces a number of rankings that evaluate states on tax structures and overall tax burdens. Here's how Arizona scores.



### Tax Foundation Rankings of Arizona

#### State Business Tax Climate Index

23<sup>rd</sup>  
best

Arizona ranks 23rd out of the 50 states on the Tax Foundation's 2014 *State Business Tax Climate Index*, which annually compares the states' tax systems on over 100 variables that impact business. Last year, Arizona ranked 22nd.

Arizona's individual income tax ranks 19th best, its corporate income tax ranks 24th best, its sales tax ranks 49th best, its property tax ranks 6th best, and its unemployment insurance tax ranks 4th best.

Neighboring states' ranks: California (48th), Nevada (3rd), Utah (9th), Colorado (20th) New Mexico (38th)

#### State-Local Tax Burdens Rank

34<sup>th</sup>  
highest

Estimated at 8.9% of income, Arizona's 2011 state-local tax burden ranks 34th highest nationally, below the national average of 9.8%. Arizona taxpayers pay \$3,194 per capita in state and local taxes.

Neighboring states' ranks: California (4th), Nevada (43rd), Utah (28th), Colorado (32nd) New Mexico (37th)

#### Tax Freedom Day®

2015  
April  
15

In 2014, Arizona taxpayers worked 105 days into the year until April 15 to pay their total tax bill, ranking 17th highest nationally.

That's 9 days before national Tax Freedom Day (April 21), the day when Americans finally have earned enough money to pay their total tax bill for the year.

More at [taxfoundation.org/publications](http://taxfoundation.org/publications)

# Arizona Taxes at a Glance

Each state uses a variety of tax tools to raise revenue, including individual income taxes, property taxes, and sales taxes, among others. Here are some facts on how Arizona structures their different tax types:

Note: All collections listed on this page are combined state and local tax collections as reported by the Census Bureau's Government Finance Division. For all ranks, 1 indicates highest among the 50 states.

## General Info

		Rank	Nat. Avg.
Income per capita	\$35,889	40th	\$43,735
Federal aid as % of gen. revenue	35%	14th	32.8%
State debt per capita	\$7,537	32nd	\$3,678

## Individual Income Tax

Number of brackets	5
Bottom income bracket rate	2.59%
Bottom bracket kick In	\$0
Top income tax rate	4.54%
Top bracket kick in	\$150,000
Collections per capita (2012)	\$475
Collections rank (2012)	41st

## Property Tax

Collections per capita (2012)	\$1,052
Collections rank (2012)	31st
Property taxes paid as share of owner-occupied housing value (2013)	0.80%
Property taxes paid percent rank (2013)	35th

## Sources of State & Local Tax Collections

	Arizona	All States.
Property Tax	31%	32%
Sales Tax	39%	23%
Corporate Income Tax	3%	4%
Individual Income Tax	14%	22%
Other	14%	20%

## Corporate Income Tax

Number of brackets	1
Top corporate tax rate	6.00%
Collections per capita (2012)	\$100
Collections rank (2012)	35th

## Sales Tax

State rate	5.60%
State + average local rate	8.17%
State + average local rank	11th
Collections per capita (2011)	\$1,323
Collections rank (2011)	10th

## Excise Taxes

	Rate	Rank
Gasoline taxes and fees	19.0¢ per gallon	43rd
Cigarette taxes	\$2.00 per pack	11th
Spirits taxes	\$3.00 per gallon	41st
Beer taxes	\$0.16 per gallon	35th
Cell phone taxes	11.96%	14th

## Other Taxes

	Rate	Exemption
Gross receipts tax	None	N/A
Capital stock tax	None	N/A
Inheritance tax	None	N/A
Estate tax	None	N/A

## About the Tax Foundation



The Tax Foundation is the nation's leading independent tax policy research organization. Since 1937, our principled research, insightful analysis, and engaged experts have informed smarter tax policy at the federal, state, and local levels. Our Center for

State Tax Policy is routinely relied upon for presentations, testimony, and media appearances on state tax and fiscal policy, and our website is a comprehensive resource for information on tax and spending policy in each U.S. state.

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