



“As a border state, we have borne the brunt of decades of inaction in Washington from both parties to address both border security and comprehensive immigration reform. And we need the federal government to step up.”

— Gov. Katie Hobbs, then a candidate, on the CBS News program “Face the Nation,” October 2022

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Arizona

Pop. (2022): 7,349,266

Median household income (2022): \$68,466

Credit Rating: AA / Stable

Pop. growth 2022–2027: 0.65%

Median age (2022): 37.8

Right-to-work state: Yes

LEGISLATIVE UPDATE

HB 2822, which deeply reduces the state’s business personal property valuation, is expected to save Arizona businesses more than \$60 million annually, according to the Arizona Chamber of Commerce & Industry. The measure establishes a uniform 2.5% scheduled depreciation value for properties used for commercial, industrial and agricultural uses. The law also streamlines compliance regulations.

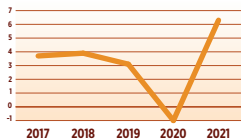
Economic development advocates say a further reduction of the commercial property tax assessment under SB 1093 will enhance Arizona’s competitiveness by providing additional tax relief to businesses, which shoulder a far heavier property tax burden by percentage than homeowners. The commercial assessment, reduced from 18% to 16% by legislation passed in 2021, is to shrink to 15%.

Arizona’s FY 2023 budget, approved in June, eliminates the State Equalization Tax Rate, a property tax for education, and backfills the projected lost revenue for K-12 education with \$330.5 million from the state’s General Fund. Education spending provided for in the budget grew by \$1 billion over FY 2022. The budget also includes \$1 billion for strategic transportation initiatives, the largest such investment in state history.

GDP

18th

GDP Growth Rate Trend



2021 GDP

(in millions of current US\$)

\$347,656



19th

Business Tax Climate Rank Change 2022–2023: +5



21st

Higher Ed. R&D Expenditure in \$000s: 1,404,585



33rd

Number of NCRCs: 9,464 | Percent Improvement 2021–2022: 3.87%



43rd

2022 Workers' Comp Index Rate: 0.87



24th

Industrial power cost per kWh: \$9.18



15th

Total Revenue as Share of Total Expenses, FY 2006–2020: 104.1%

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