

Finance Advisory Committee

Briefing Materials

January 20, 2022

12:00 p.m.



Finance Advisory Committee

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Finance Advisory Committee

Revenue and Budget Update

January 20, 2022



Key Points

- General Fund revenues are growing rapidly
- The outcome of referendum, litigation and federal policy decisions will affect available resources
- Numerous scenarios possible, but we project that \$1.0 B will be available for ongoing initiatives in '23 plus \$2.1 B for one-time purposes
- Baseline “Maximum Commitment” scenario is based on outcomes that use up the most resources so as to not overstate availability of '23 \$

“Maximum Commitment” Scenario Assumptions:

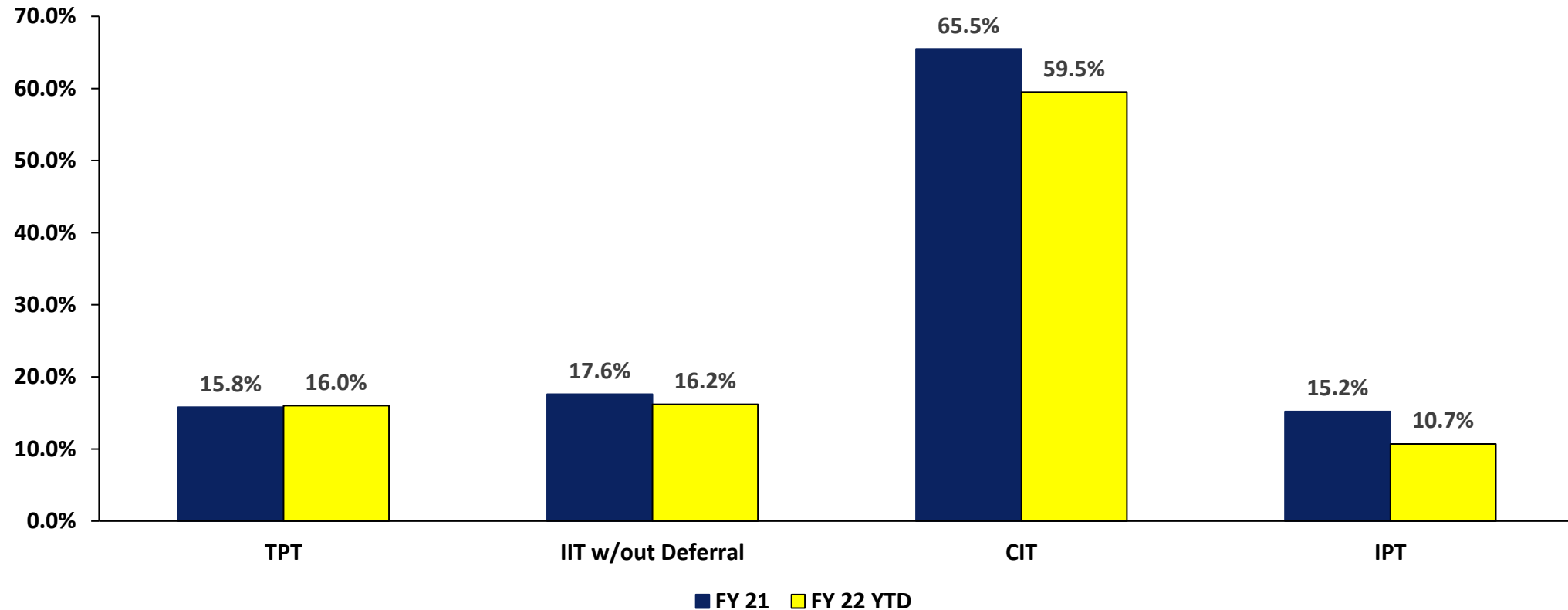
- Not a Prediction of Litigation/Referendum Results!

- Proposition 208 is upheld in litigation
- Set aside \$939 M of General Fund income tax revenues to transfer to the Prop 208 fund or for taxpayer refunds
- The enacted income tax reductions, including the triggers, go into effect
- The federal government does not extend the enhanced Medicaid match rate past March 2022

General Fund Revenues

General Fund Revenues Have Grown 18% in Last 18 Months

- Rapid Growth Across All Major Tax Sources



TPT = Transaction Privilege Tax (Sales Tax)

CIT = Corporate Income Tax

IIT = Individual Income Tax

IPT = Insurance Premium Tax

Why Are Revenues Growing by 18%?

- \$78 B in federal pandemic aid helped fuel an 8.6% increase in AZ Personal Income last year
- Pandemic-accumulated savings are being spent over time
- A pandemic shift in consumer spending from non-taxable services to taxable durable goods – may have added 5% to TPT growth
- A 27% gain in the 2021 stock market and a 30% increase in Phoenix house prices have generated taxable capital gains
- 36% nationwide corporate profit growth in CY '21

18% Revenue Growth is Not Sustainable

- But Pandemic Economic Forecasting is Challenging

- Revenues are growing more quickly than Arizona's economy
- Pandemic has upended some standard economic rules – e.g. wages are rising, but nationwide labor force participation rate near 40-year low
- We are likely collecting one-time revenues, but not feasible to ascertain the amount with any certainty
- The January forecast slows '22 revenue growth to 7.5% for the remainder of the fiscal year ('22 Full Year Forecast is 12.6%)

4-Sector Forecast: Modest Growth after '22

4-Sector Components

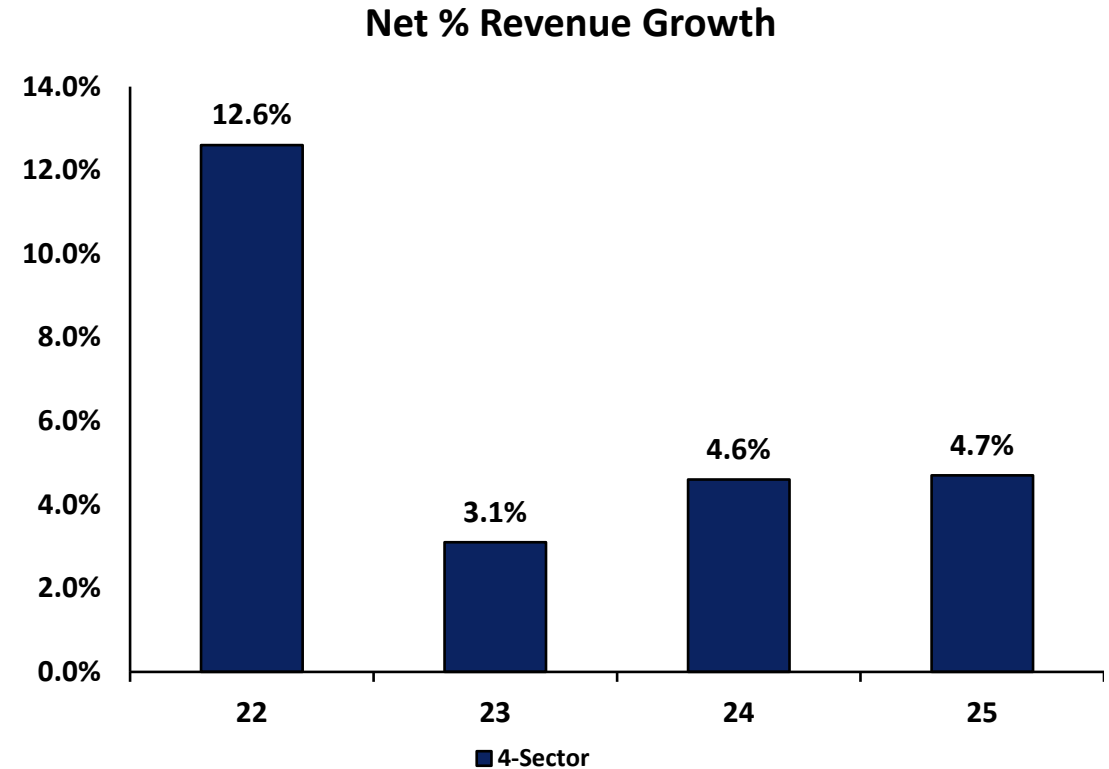
- Finance Advisory Committee
- UA model – base
- UA model – more cautious
- JLBC Staff

Represents Base Growth

- Prior to Enacted Tax Reductions

Income Tax Deferral

- '22% adjusted to remove 7/20 income tax deferral



Excludes balance forward, one-time transfers, tax law changes and urban revenue sharing

See Appendix A, B and E

Baseline Includes Enacted Tax Cuts of \$1.8 B in '23

- Grows to \$2.5 B in '25 With Triggered Reductions

- '23 enacted tax reductions primarily due to reducing Individual Income Tax brackets (see Appendix C)

Income Tax Rates (Single/Married)			
Income Level	<\$27k/\$55k	>\$27k/\$55k	>\$250k/\$500k
TY 22/FY 23	2.55%	2.98%	4.50%
TY 23/FY 24	2.53%	2.75%	4.50%
TY 24/FY 25	2.50%		4.50%

- TY 23/TY 24 contingent upon exceeding certain revenue trigger levels
- January revenue forecast exceeds trigger levels. Formal determination would be made in September '22 and '23

Income Tax Referendum and Litigation

- Addressed as Part of Maximum Commitment Scenario

- Income tax reductions have been referred to the November '22 General Election ballot as Proposition 307
 - Referendum is being challenged in court
 - Maximum Commitment scenario assumes tax reductions are enacted
- AZ Supreme Court ruled that Prop 208 surcharge invalid if K-12 Aggregate Expenditure Limit exceeded
 - Trial court to make determination
 - If declared invalid, 4.5% top rate would effectively be eliminated, saving \$705 M in '22, declining to \$331 M by '25
 - Maximum Commitment scenario assumes Prop 208 surcharge remains in effect

K-12 Aggregate Expenditure Limit (AEL)

- Prop 208 issue affects '23 AEL, Not '22

- ADE calculates district spending compared to AEL by 11/1 of each year
- School district budgets for '22 are \$1.1 B above the AEL; 2/3rds of the Legislature can override the limit by 3/1/22
- With no override, districts would need to reduce their budgets
- District budget reductions would not generate state savings because ADE is still required to make full Basic State Aid (BSA) payment
- Proposition 208 income tax surcharge would also impact district expenditures counting toward the AEL, but not until '23

Prop 208 Expected to Generate \$939 M in '22

- Not Distributed to School Districts Until '23

- 3.5% income tax surcharge was effective as of January 2021
- If individuals increased their income tax withholding/payments, those dollars are in the General Fund balance
- Prop 208 collections cannot be identified until returns filed this spring
 - If 208 valid, \$ would move to Prop 208 fund
 - If 208 invalid, \$ would be refunded
- January Baseline sets aside \$939 M of General Fund balance for either purpose.

JLBC – Executive Revenue Differences

- Excludes Executive's New Policy Changes – like Earned Income Tax Credit

<u>FY</u>	<u>(\$ in M)</u> <u>Exec > JLBC</u>
'22	32
'23	50
'24	10
'25	185

- Executive assumes Prop 208 not implemented – saves GF \$ since state no longer has to buy down top income tax rate to 4.5%
- In '22 and '23, this assumption generates a cumulative \$1 B in revenue above JLBC Baseline

General Fund Spending

Baseline Spending Projections

- Baseline reflects changes to active statutory/other funding formulas such as ADE and AHCCCS - no discretionary additions
- Baseline removes funding identified in enacted '22 budget as one-time
 - Approximately \$180 M appears ongoing in nature
- Assumes \$865 M in K-12 “rollover” at end of '23

Baseline Spending Projected To Increase by \$203 M

'23 Ongoing Spending Changes	
	<u>\$ in M</u>
Medicaid Formula	381
ADE – K-12 Formula	160
Pension Contribution Savings	(98)
Fire Mitigation Initiatives	35
Other Agency Changes	8
Technical Adjustments/Revertments	<u>(75)</u>
Total	411
Total Spending Changes	\$203 M
Total Spending	\$12,726 M
% Change	1.6%

'23 One-Time Spending Additions/Deletions	
	<u>\$ in M</u>
Loss of Medicaid Federal Match Savings	153
Loss of One-Time ADE Enrollment Savings	285
Universities	(46)
Community Colleges	(30)
SFB – Building Renewal Grants	(91)
SFB – Fewer New Buildings	(58)
Other Agency Spending	(329)
Capital Projects	<u>(92)</u>
Total	(208)

Federal Medicaid Match Generates State Savings

- Been in Place Since January 2020

- Feds have increased their share of Medicaid costs while federal health emergency is in place
- Enacted budget assumed higher match would end in 12/21; feds have recently extended to 3/22
- January Baseline includes this new \$133 M of one-time '22 savings
- Under Maximum Commitment scenario, Baseline assumes no further extensions
 - After publication of the Baseline, feds announced another extension through 6/22; generates \$133 M of one-time savings above the Baseline

Projected Ending Balances

Excludes \$985 M in Budget Stabilization Fund

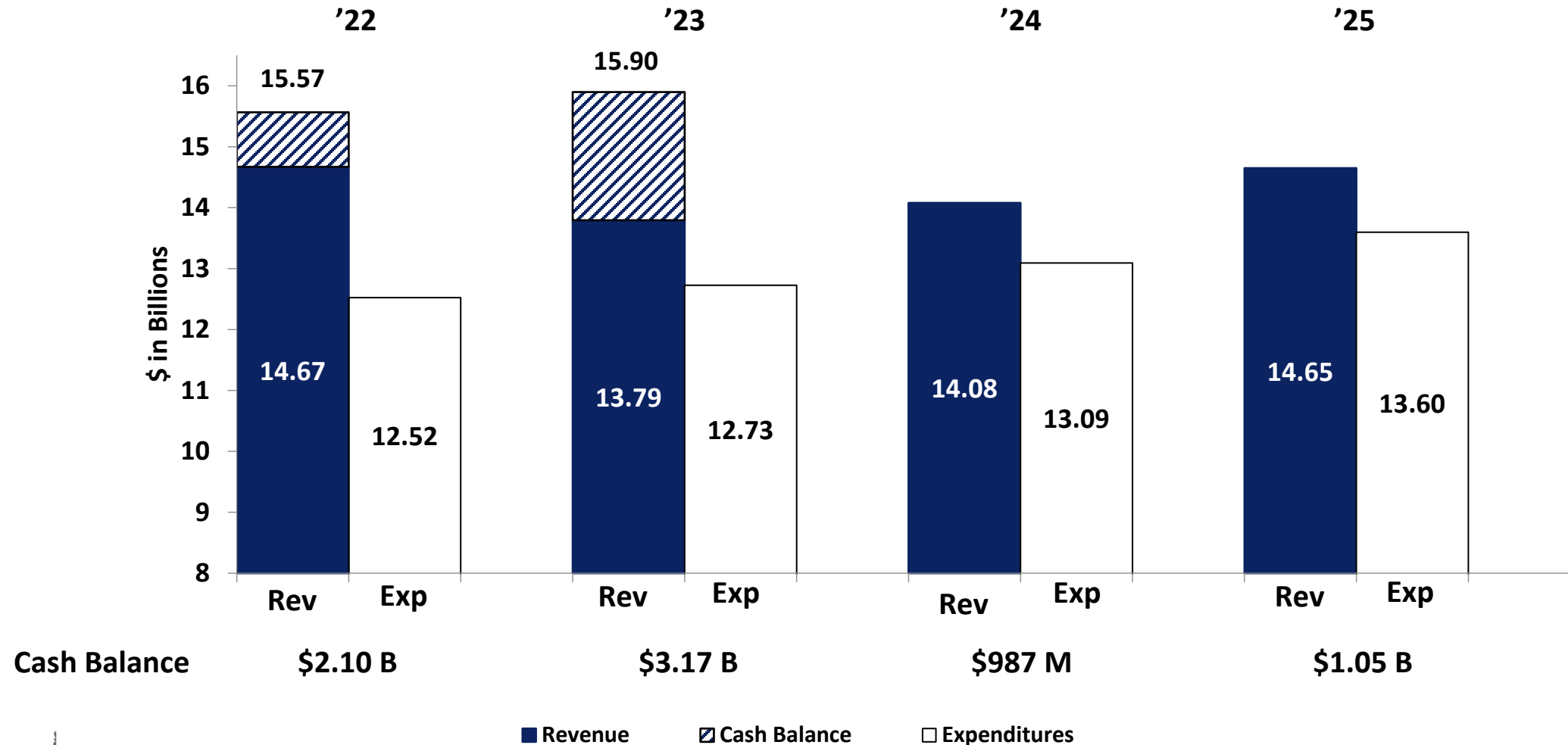
More Information in Appendix D

Disposition of '23 Ending Balance of \$3.2 B

	<u>\$</u>
<ul style="list-style-type: none">• Ongoing initiatives<ul style="list-style-type: none">- Maximum amount that would keep budget balanced in '24 and '25	1.0 B
<ul style="list-style-type: none">• One-Time Initiatives	2.1 B
<ul style="list-style-type: none">• Ending Cash Balance	<u>75 M</u>
TOTAL	\$3.2 B

January Baseline Balances: \$1.0 B Ongoing & \$2.1 B One-Time

- \$2.1 B '22 Balance Is After \$939 M Set Aside for Prop 208 Reserve



Executive Proposes \$788 M of Ongoing Initiatives

- Above JLBC Baseline

(\$ in M)

82	Earned Income Tax Credit and Manufacturing Incentives
217	Employee Pay Raises
32	State Employer Health Insurance Costs
61	K-12 Results Based Funding Increase
58	K-12 D & F Schools Funding (Operation Excellence)
84	Universities
11	Community Colleges
10	Military Spouses Free In-State Tuition
35	DCS Kinship Care and Healthy Families
13	ADC Operating Expenses
43	DPS Operating Expenses
<u>142</u>	All Other
788	Total

Executive Proposes \$2.6 B of One-Time Initiatives

- Above JLBC Baseline

(\$ in M)	
596	Public Safety Pension Unfunded Liability Payoff
425	Budget Stabilization Fund Deposit
334	Water Supply Projects (\$1 B over 3 years)
276	School Facilities Building Repairs
9	DOR Automation (total funds of \$105 M over 6 years)
16	ADOA Business One Stop Automation (total of \$32 M over 4 years)
50	Manufacturing Tax Incentives
50	Border Security Fund Deposit
26	DHS Accelerated Nursing Program
224	State Capital Projects (ADOA/ADC/Parks/Others)
450	Highway Capital Projects
<u>106</u>	All Other
2,563	Total

JLBC vs Executive Balance

- JLBC Baseline has a total of \$3.2 B in available resources
- Executive allocates more than that amount - \$3.4 B in ongoing and one-time \$
 - But Executive also has a \$1 B '23 unallocated balance
- Executive has more available \$ since they do not have a \$939 M reserve for Prop 208 refunds/transfers
 - They do not believe taxpayers have paid any 208 taxes to date

STAFF OF THE JOINT LEGISLATIVE BUDGET COMMITTEE

Director.....	Richard Stavneak
Office Manager.....	Linda Monsanto
Deputy Directors.....	Stefan Shepherd
.....	Jack Brown
Chief Economist.....	Hans Olofsson
Assistant Directors.....	Micaela Larkin
.....	Patrick Moran
.....	Rebecca Perrera
Principal Fiscal Analysts.....	Morgan Dorcheus
.....	Geoffrey Paulsen
Senior Fiscal Analysts.....	Steve Grunig
.....	Jordan Johnston
Economists.....	Molly Murphy
.....	Ben Newcomb
Fiscal Analysts.....	Nate Belcher
.....	Lydia Chew
.....	Ryan Fleischman
.....	Maggie Rocker
Senior Administrative Assistant / JLBC & JCCR Clerk.....	Kristy Paddack

Appendix A: Revenue Forecasts with Deferral

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Sales Tax				
JLBC Forecast	11.7%	3.5%	4.0%	4.0%
UA – Low	11.5%	2.2%	3.9%	4.1%
UA – Base	12.8%	4.3%	5.0%	4.8%
FAC	11.2%	6.0%	5.8%	5.5%
Average:	11.8%	4.0%	4.7%	4.6%
Individual Income Tax with Deferral				
JLBC Forecast	3.0%	3.5%	4.3%	4.2%
UA – Low	0.3%	3.3%	4.4%	4.6%
UA – Base	2.1%	4.4%	5.4%	5.3%
FAC	5.3%	5.6%	5.4%	5.1%
Average:	2.7%	4.2%	4.9%	4.8%
Corporate Income Tax				
JLBC Forecast	18.0%	3.0%	3.4%	4.5%
UA – Low	16.8%	0.6%	3.3%	6.2%
UA – Base	17.5%	3.5%	4.3%	7.0%
FAC	15.8%	2.2%	3.7%	4.9%
Average:	17.0%	2.3%	3.7%	5.7%
Insurance Premium Tax				
JLBC Forecast	7.0%	2.6%	3.3%	3.6%
UA – Low	5.8%	2.5%	1.4%	2.8%
UA – Base	6.3%	3.1%	1.9%	3.1%
FAC	7.0%	3.9%	4.4%	3.5%
Average:	6.5%	3.0%	2.7%	3.3%

JLBC Weighted Average	7.9%	3.4%	4.1%	4.1%
UA Low Weighted Average	6.4%	2.6%	4.0%	4.4%
UA Base Weighted Average	7.9%	4.2%	5.0%	5.1%
FAC Consensus Weighted Average	8.6%	5.5%	5.4%	5.2%
“Big-4” Weighted Average	7.7%	3.9%	4.6%	4.7%
Consensus Weighted Average*	8.4%	3.1%	4.6%	4.7%

* Represents ongoing revenue adjusted for small revenue categories.

Appendix B: General Fund Revenue '21 - '23 with Deferral

FORECAST REVENUE GROWTH

	(\$ in Thousands)							
	ACTUAL FY 2021	% CHANGE PRIOR YR	FORECAST FY 2022	% CHANGE PRIOR YR	\$ CHANGE PRIOR YR	FORECAST FY 2023	% CHANGE PRIOR YR	\$ CHANGE PRIOR YR
Sales and Use	6,244,726.0	15.8%	6,981,536.9	11.8%	736,810.9	7,261,347.7	4.0%	279,810.7
Income - Individual	6,532,702.9	44.2%	6,659,388.8	1.9%	126,685.9	5,676,490.4	-14.8%	(982,898.4)
- Corporate	847,020.8	65.5%	988,924.4	16.8%	141,903.6	1,012,049.9	2.3%	23,125.5
Property	22,380.0	-7.3%	25,647.9	14.6%	3,267.8	24,552.5	-4.3%	(1,095.3)
Luxury - Tobacco	22,581.1	8.2%	22,306.0	-1.2%	(275.1)	22,085.4	-1.0%	(220.5)
- Liquor	44,938.5	23.9%	45,231.4	0.7%	292.8	46,755.3	3.4%	1,523.9
Insurance Premium	616,251.4	15.2%	656,487.5	6.5%	40,236.1	676,360.9	3.0%	19,873.4
Other Taxes	15,304.9	6.2%	15,534.4	1.5%	229.6	16,000.5	3.0%	466.0
Subtotal - Taxes	14,345,905.7	29.6%	15,395,057.3	7.3%	1,049,151.6	14,735,642.6	-4.3%	(659,414.7)
Other Non-Tax Revenues:								
Lottery	104,740.4	1.1%	222,410.2	112.3%	117,669.8	175,241.5	-21.2%	(47,168.7)
Gaming Revenue	0.0	N/A	26,101.3	N/A	26,101.3	18,467.0	-29.2%	(7,634.3)
Licenses, Fees and Permits	39,411.1	13.3%	39,010.5	-1.0%	(400.6)	40,050.0	2.7%	1,039.5
Interest	888.9	-97.7%	39,414.5	4334.3%	38,525.6	25,000.0	-36.6%	(14,414.5)
Sales and Services	26,049.0	16.2%	27,038.9	3.8%	989.9	27,985.3	3.5%	946.4
Other Miscellaneous	147,902.4	17.4%	152,554.8	3.1%	4,652.4	155,661.7	2.0%	3,106.9
Transfers and Reimbursements	131,146.9	12.6%	111,827.5	-14.7%	(19,319.4)	74,851.4	-33.1%	(36,976.1)
Public Safety Transfers	23,343.2	0.0%	0.0	-100.0%	(23,343.2)	0.0	N/A	0.0
Disproportionate Share Revenue	84,858.6	-0.1%	98,514.8	16.1%	13,656.2	91,649.6	-7.0%	(6,865.2)
Subtotal - Other Non-Tax	558,340.5	1.3%	716,872.4	28.4%	158,531.9	608,906	-15.1%	(107,966.0)
Net Ongoing Revenue	14,904,246.2	28.3%	16,111,929.7	8.1%	1,207,683.5	15,344,549.0	-4.8%	(767,380.8)
Urban Revenue Sharing (URS)	(828,492.9)	N/A	(756,388.3)	N/A	72,104.6	(1,106,958.6)	N/A	(350,570.3)
Net Ongoing Revenue w/ URS	14,075,753.3	29.4%	15,355,541.4	9.1%	1,279,788.1	14,237,590.3	-7.3%	(1,117,951.1)
One-Time Financing Sources:								
Prescription Drug Rebate Fund Transfer	16,700.0	-75.8%	0.0	-100.0%	(16,700.0)	0.0	N/A	0.0
DPS Highway Patrol Fund Transfer	24,205.7	N/A	0.0	-100.0%	(24,205.7)	0.0	N/A	0.0
Water Infrastructure Repayment	0.0	N/A	20,000.0	N/A	20,000.0	0.0	-100.0%	(20,000.0)
4.5% Maximum Tax Rate	0.0	N/A	(939,076.4)	N/A	(939,076.4)	(684,506.3)	N/A	254,570.1
SB 1783 Alternative Income Tax	0.0	N/A	234,098.3	N/A	234,098.3	241,305.8	3.1%	7,207.4
Subtotal - One-Time Financing Sources	40,905.7	-55.0%	(684,978.1)	N/A	(725,883.8)	(443,200.6)	N/A	241,777.5
Subtotal - Revenues	14,116,659.0	28.7%	14,670,563.3	3.9%	553,904.3	13,794,389.8	-6.0%	(876,173.6)
Balance Forward	372,457.0	-61.1%	894,636.0	140.2%	522,179.0	2,103,233.6	135.1%	1,208,597.6
Total - Resources	14,489,116.0	21.5%	15,565,199.3	7.4%	1,076,083.3	15,897,623.4	2.1%	332,424.0

Appendix B: General Fund Revenue '24 - '25

FORECAST REVENUE GROWTH						
	(\$ in Thousands)					
	FORECAST FY 2024	% CHANGE PRIOR YR	\$ CHANGE PRIOR YR	FORECAST FY 2025	% CHANGE PRIOR YR	\$ CHANGE PRIOR YR
Sales and Use	7,600,604.8	4.7%	339,257.1	7,950,991.5	4.6%	350,386.7
Income - Individual	5,642,328.0	-0.6%	(34,162.4)	5,219,701.8	-7.5%	(422,626.2)
- Corporate	1,049,276.6	3.7%	37,226.7	1,108,801.0	5.7%	59,524.4
Property	24,156.7	-1.6%	(395.8)	23,858.5	-1.2%	(298.2)
Luxury - Tobacco	22,097.8	0.1%	12.4	22,386.1	1.3%	288.3
- Liquor	48,268.9	3.2%	1,513.6	49,739.7	3.0%	1,470.8
Insurance Premium	694,943.9	2.7%	18,582.9	717,633.2	3.3%	22,689.3
Other Taxes	16,544.5	3.4%	544.0	17,123.5	3.5%	579.1
Subtotal - Taxes	15,098,221.2	2.5%	362,578.6	15,110,235.2	0.1%	12,014.0
Other Non-Tax Revenues:						
Lottery	185,177.4	5.7%	9,935.9	195,754.6	5.7%	10,577.2
Gaming Revenue	20,110.2	8.9%	1,643.2	21,421.2	6.5%	1,311.0
Licenses, Fees and Permits	41,512.9	3.7%	1,463.0	43,071.1	3.8%	1,558.1
Interest	27,500.0	10.0%	2,500.0	30,000.0	9.1%	2,500.0
Sales and Services	28,964.7	3.5%	979.5	29,978.5	3.5%	1,013.8
Other Miscellaneous	160,154.1	2.9%	4,492.4	164,810.5	2.9%	4,656.4
Transfers and Reimbursements	78,090.0	4.3%	3,238.6	81,545.1	4.4%	3,455.1
Public Safety Transfers	0.0	N/A	0.0	0.0	N/A	0.0
Disproportionate Share Revenue	95,474.3	4.2%	3,824.7	95,644.9	0.2%	170.6
Subtotal - Other Non-Tax	636,983.7	4.6%	28,077.3	662,225.8	4.0%	25,242.1
Net Ongoing Revenue	15,735,204.9	2.5%	390,655.9	15,772,461.1	0.2%	37,256.2
Urban Revenue Sharing (URS)	(1,249,800.3)	N/A	(142,841.8)	(1,124,161.2)	N/A	125,639.2
Net Ongoing Revenue w/ URS	14,485,404.7	1.7%	247,814.1	14,648,299.8	1.1%	162,895.4
One-Time Financing Sources:						
Prescription Drug Rebate Fund Transfer	0.0	N/A	0.0	0.0	N/A	0.0
DPS Highway Patrol Fund Transfer	0.0	N/A	0.0	0.0	N/A	0.0
Water Infrastructure Repayment	0.0	N/A	0.0	0.0	N/A	0.0
4.5% Maximum Tax Rate	(634,570.9)	N/A	49,935.4	0.0	N/A	634,570.9
SB 1783 Alternative Income Tax	227,792.8	-5.6%	(13,512.9)	0.0	-100.0%	(227,792.8)
Subtotal - One-Time Financing Sources	(406,778.1)	N/A	36,422.5	0.0	N/A	406,778.1
Subtotal - Revenues	14,078,626.6	2.1%	284,236.6	14,648,299.8	4.0%	569,673.5
Balance Forward	-	-100.0%	(2,103,233.6)	-	N/A	0.0
Total - Resources	14,078,626.6	-11.4%	(1,818,997.0)	14,648,299.8	4.0%	569,673.5

Appendix C: Enacted Tax Reductions in '22 Budget

- January Baseline Projected Cost

	(\$ in M)			
	'22	'23	'24	'25
Income Tax Reduction Rate				
- Reduce to 2.55%/2.98% rate		(1,274)	(1,336)	(1,400)
- Reduce to 2.53%/2.75% rate			(309)	(324)
- Reduce to single 2.5% rate				(360)
Total Rate Reduction		(1,274)	(1,645)	(2,084)
4.5% Maximum Income Tax Rate	(939)	(684)	(635)	(570)
Alternative Tax Rate (SB 1783)	234	241	228	239
Other Enacted Reductions	(51)	(43)	(47)	(52)
Total Reductions	(756)	(1,760)	(2,099)	(2,467)

Appendix D: General Fund Balance Sheet

Statement of General Fund Revenues and Expenditures With One-Time Financing Sources ^{1/}

	FY 2022 Baseline	FY 2023 Baseline	FY 2024 Baseline	FY 2025 Baseline
REVENUES				
Ongoing Revenues	\$16,162,949,700	\$16,660,894,900	\$17,427,457,900	\$18,239,954,600
Ongoing Tax Reductions	(51,020,000)	(1,316,346,000)	(1,692,252,900)	(2,467,493,600)
Urban Revenue Sharing	(756,388,300)	(1,106,958,600)	(1,249,800,300)	(1,124,161,200)
Net Ongoing Revenues	\$15,355,541,400	\$14,237,590,300	\$14,485,404,700	\$14,648,299,800
One-Time Financing Sources				
Balance Forward	\$894,636,000	\$2,103,233,600		
One-Time Tax Reductions	(704,978,100)	(443,200,500)	(\$406,778,100)	
Water Infrastructure Repayment	20,000,000			
Subtotal One-Time Revenues	\$209,657,900	\$1,660,033,100	(\$406,778,100)	\$0
Total Revenues	\$15,565,199,300	\$15,897,623,400	\$14,078,626,600	\$14,648,299,800
EXPENDITURES				
Ongoing Operating Appropriations	\$12,053,812,800	\$12,539,381,800	\$13,083,448,200	\$13,560,679,900
Administrative Adjustments	225,000,000	200,000,000	170,000,000	178,500,000
Reversions	(150,000,000)	(200,000,000)	(210,000,000)	(220,000,000)
Subtotal Ongoing Expenditures	\$12,128,812,800	\$12,539,381,800	\$13,043,448,200	\$13,519,179,900
One-time Expenditures				
Capital Outlay	\$92,632,900			
Reduce K-12 Rollover	65,000,000			
Operating One-Time Spending	654,235,900	186,227,300	48,677,100	76,726,900
New Medicaid Federal Match Reversion ^{2/}	(152,844,400)			
New ADE Formula Funding Reversion ^{2/}	(285,000,000)			
University 27th Pay Period	20,052,100			
Subtotal One-time Expenditures	\$394,076,500	\$186,227,300	\$48,677,100	\$76,726,900
Total Expenditures	\$12,522,889,300	\$12,725,609,100	\$13,092,125,300	\$13,595,906,800
Proposition 208 Reserve ^{3/}	\$939,076,400			
Ending Balance ^{4/}	\$2,103,233,600	\$3,172,014,300 ^{5/}	\$986,501,300	\$1,052,393,000

^{1/} Baseline estimates reflect a "Maximum Commitment" scenario, which is based on the outcomes of pending litigation and referendum that use the most resources.

^{2/} Reflects reversion of savings for a higher federal Medicaid match rate and lower K12 formula costs.

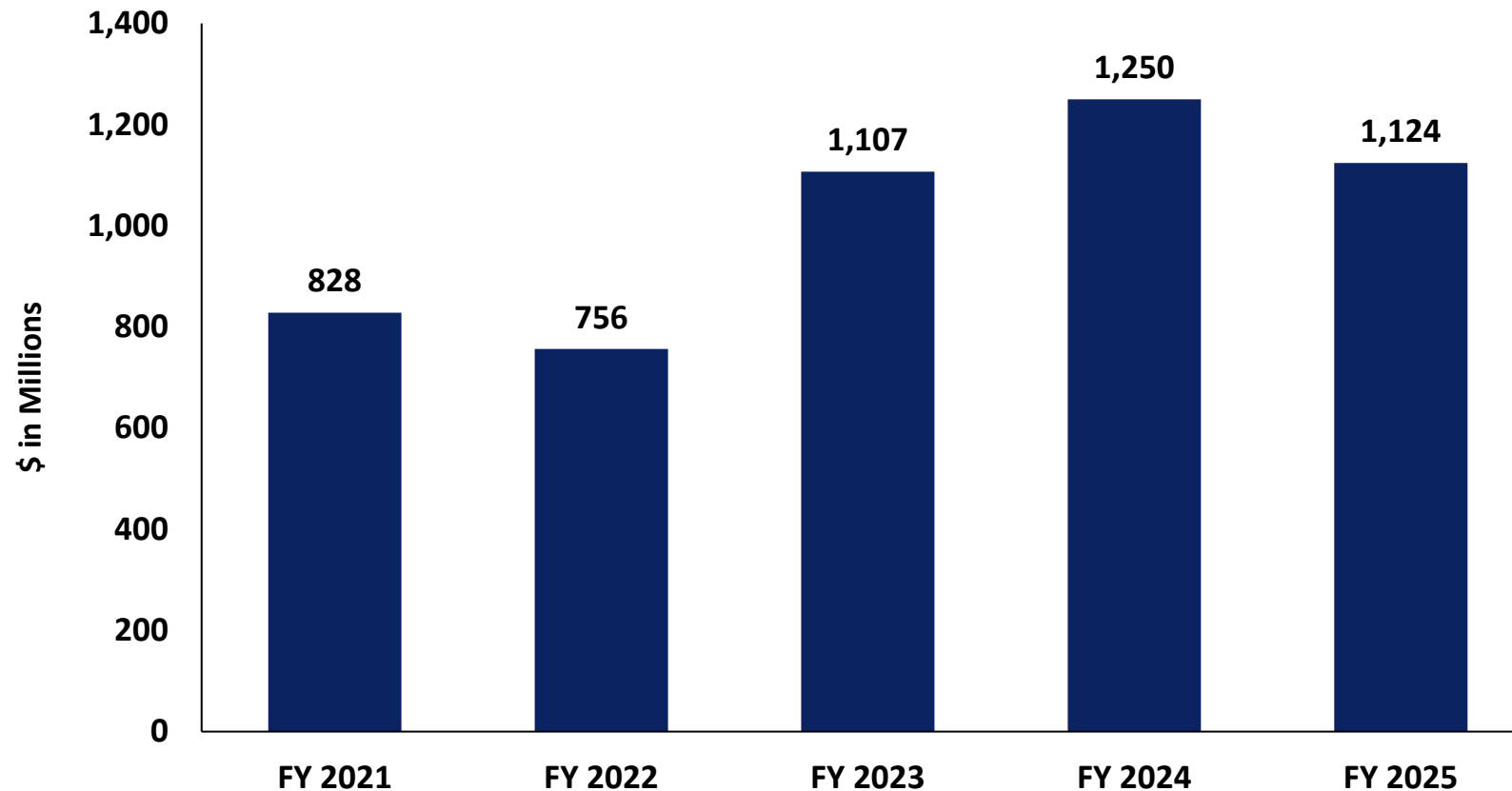
^{3/} Reflects Proposition 208 uncertainty. If surcharge upheld, revenue would be transferred to Proposition 208 fund. If surcharge not upheld, state would refund revenue.

^{4/} Reflects the difference between total revenues and total expenditures. Excludes any Budget Stabilization Fund balance.

^{5/} The FY 2023 cash balance is presumed to be allocated as part of the FY 2023 budget process.

Appendix E: Urban Revenue Sharing Distribution Increases

- Based on 15% of Income Taxes 2 Year Prior; Goes to 18% in '24





Huge Demand, But.... Where's the Supply?

FAC

January 20, 2022

Presented By:
Rick Merritt

President, Elliott D. Pollack & Company



Elliott D. Pollack & Company



**The economy continues to
recover at a rapid rate but
the rate will be erratic.**



Biggest Risks

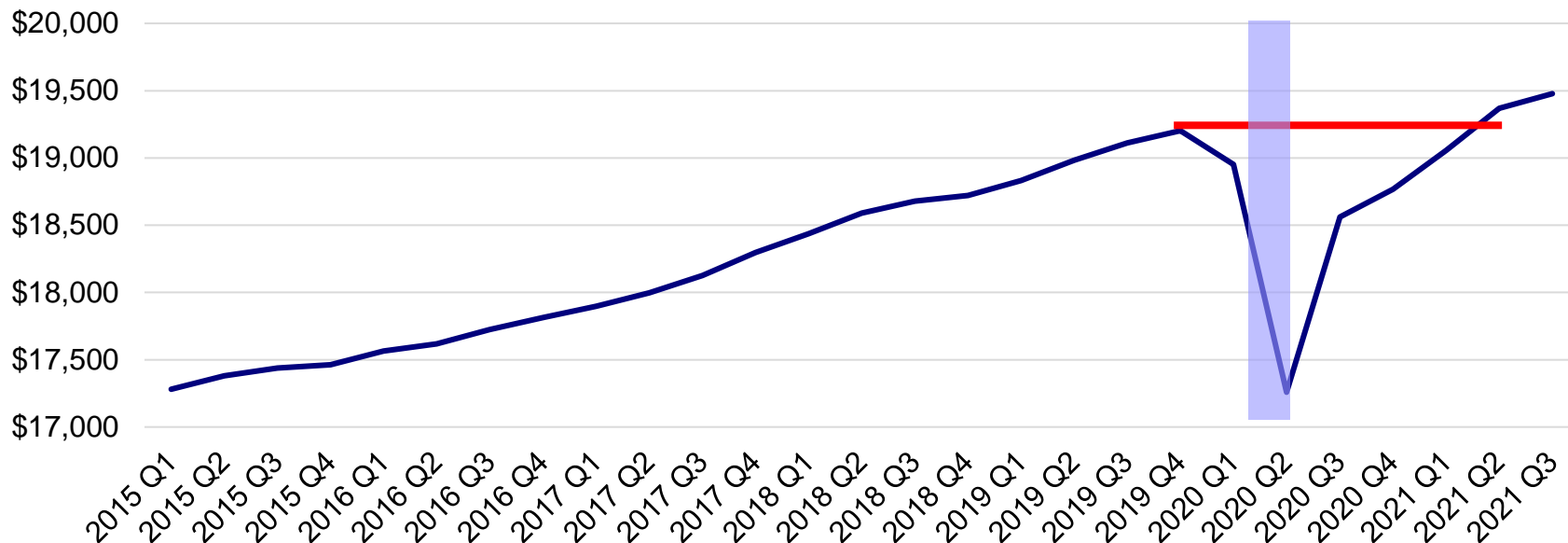
- Supply Chain Issues
- COVID
- Lack of Labor
- Inflation
- Higher Interest Rates
- Bad Government Policy
- Effect of All of These On Housing Affordability
- Current and Future Variants
- Black Swan Event



Real GDP (billions)

Source: BEA

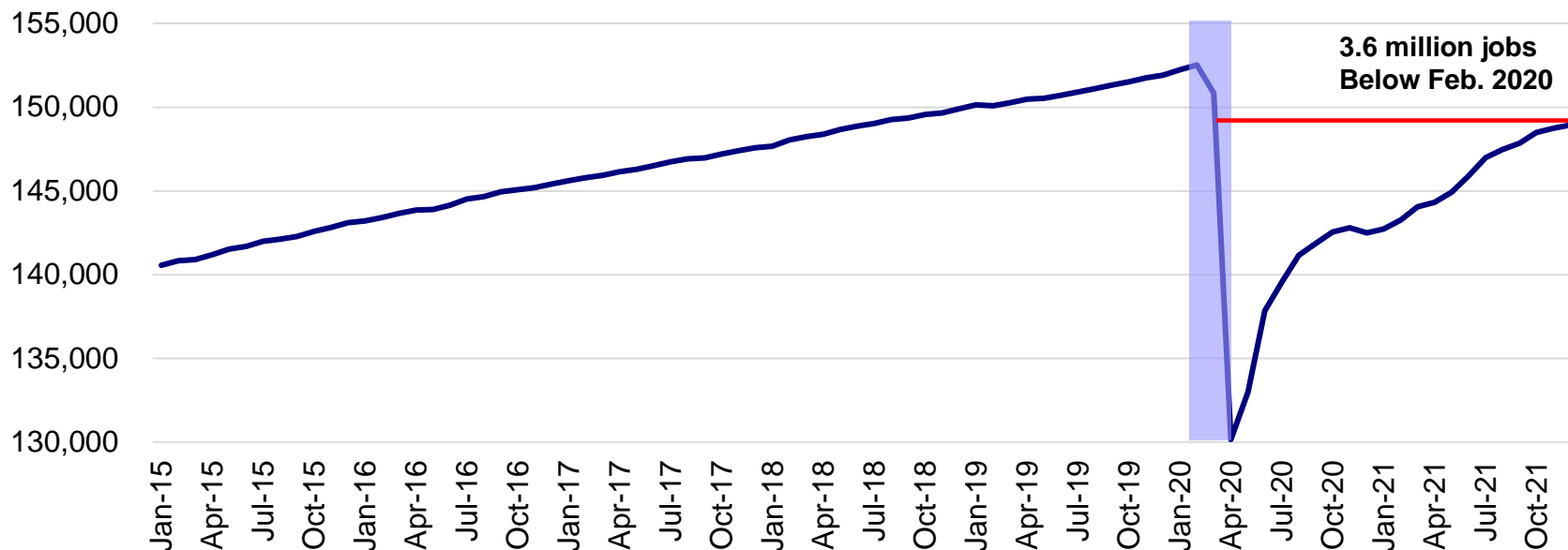
Recession Periods



Total Non-farm Jobs (S/A, thousands)

Source: BLS

Recession Periods



Real GDP Forecast

Year	2021	2022	2023
The Conference Board	5.6%	3.5%	2.9%
S&P	5.5%	3.9%	2.7%
Blue Chip	5.6%	3.9%	2.6%

The average annual growth rate between 2010-2019 was 2.3%



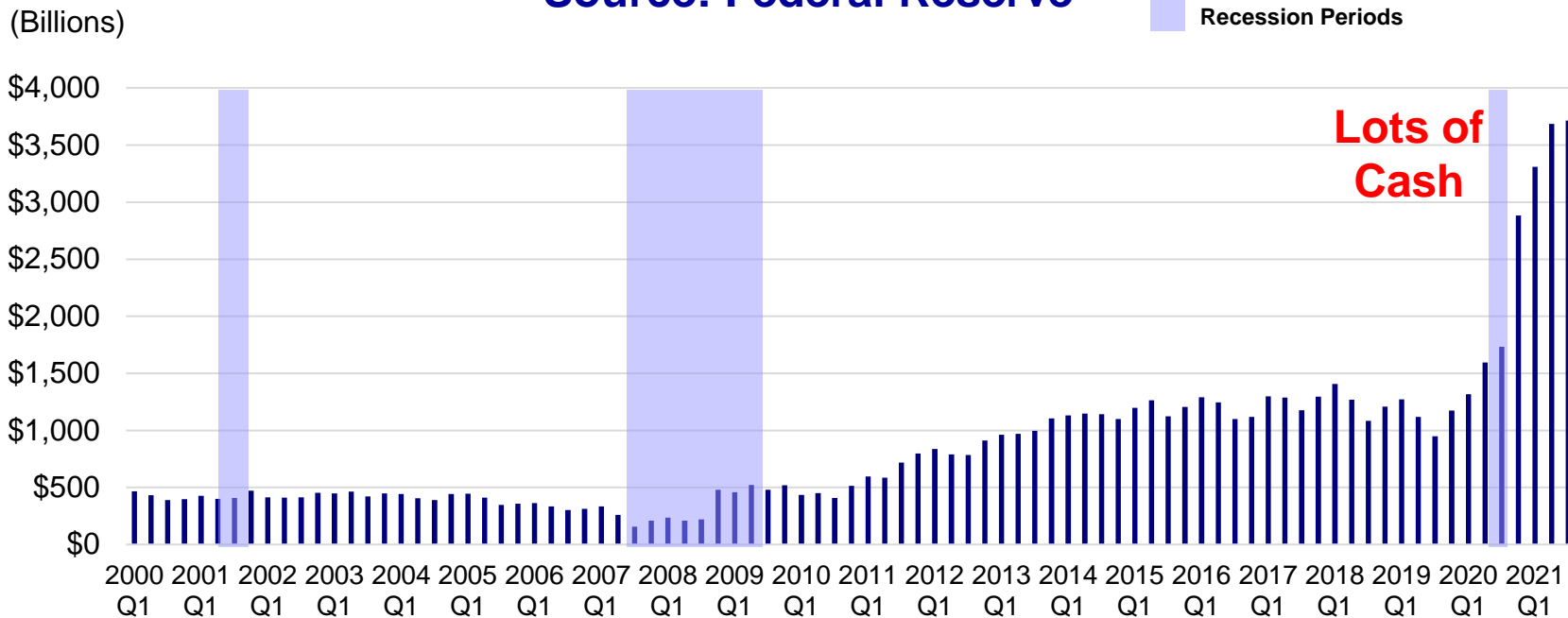
The Consumer Outlook

- Most consumers are in good financial shape
 - Lots of cash
 - Debt levels remain low
 - Jobs are plentiful
 - Positive wealth effect
 - Significant pent-up demand
- On the downside, housing affordability is becoming an issue



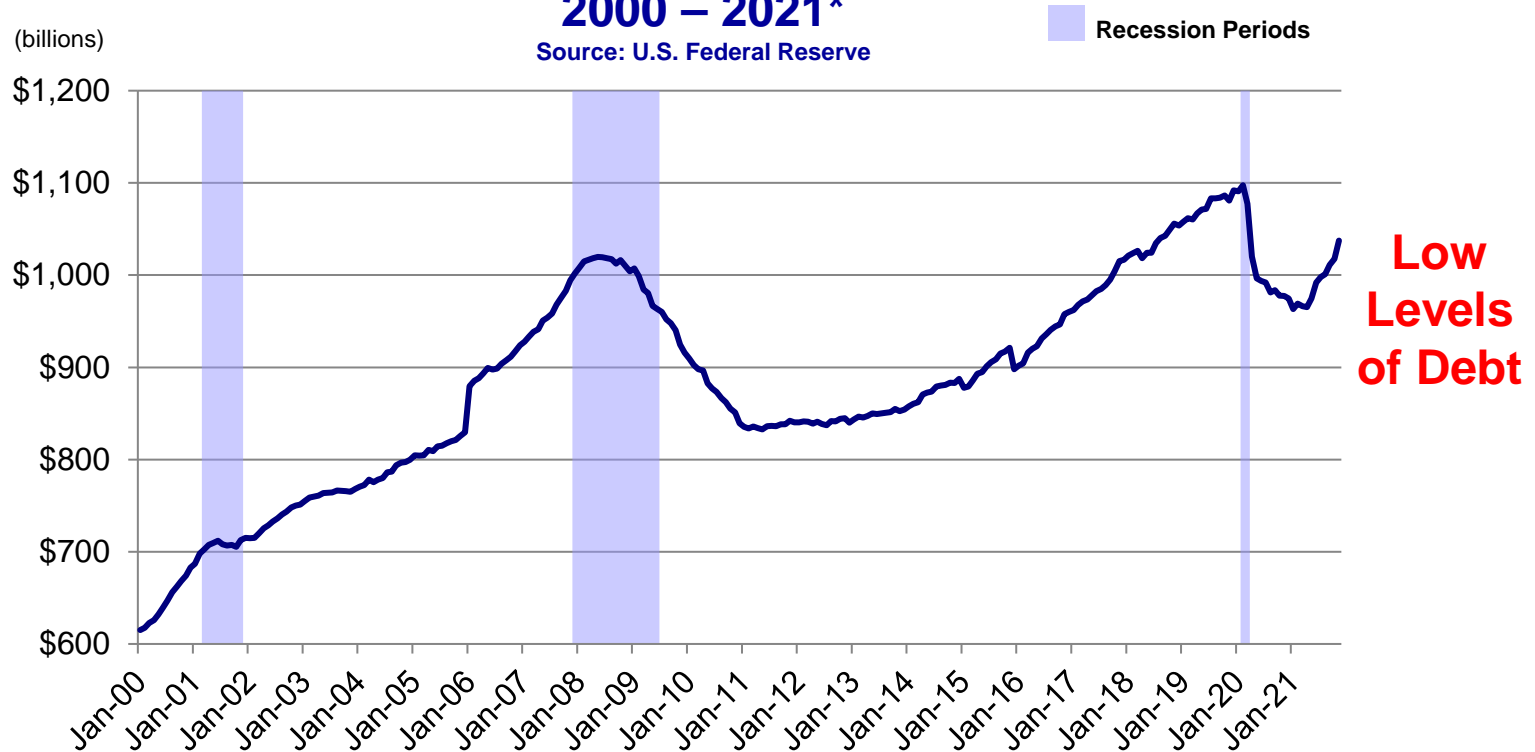
Checkable Deposits and Currency of Households and Nonprofit Organizations

Source: Federal Reserve



U.S. Consumer Credit Total Revolving Credit Outstanding 2000 – 2021*

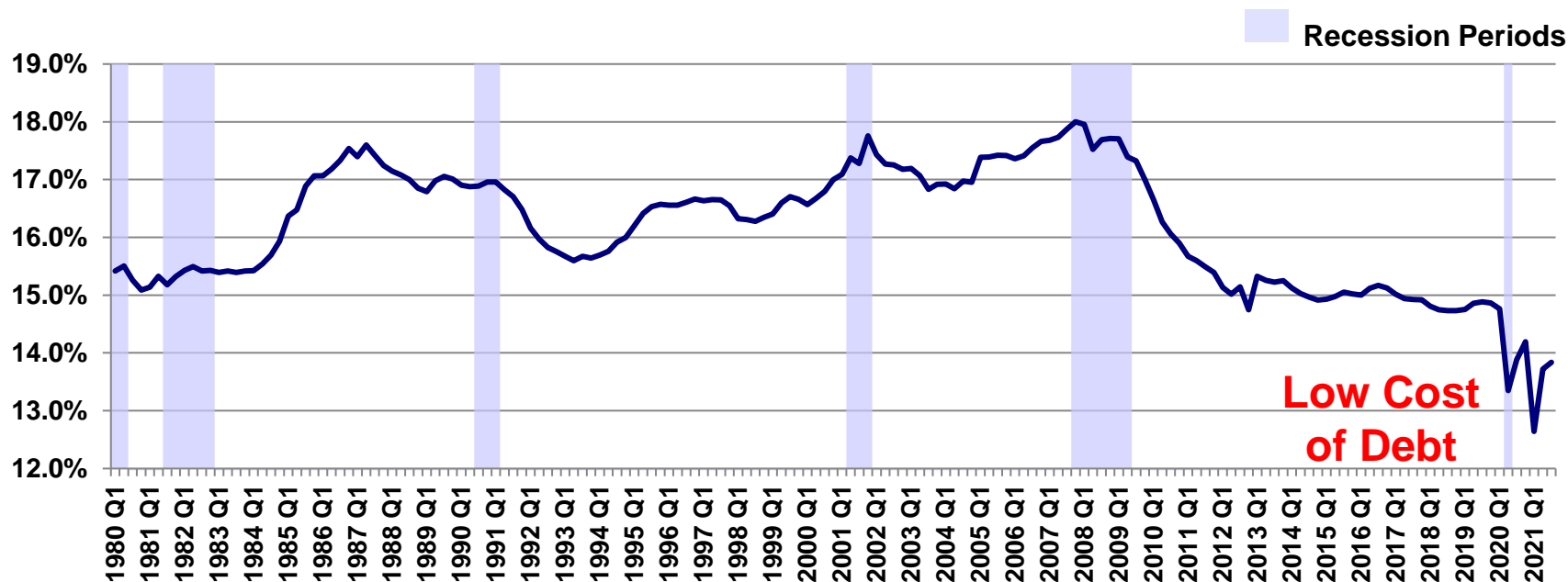
Source: U.S. Federal Reserve



Financial Obligation's Ratio*

1980 – 2021**

Source: Federal Reserve



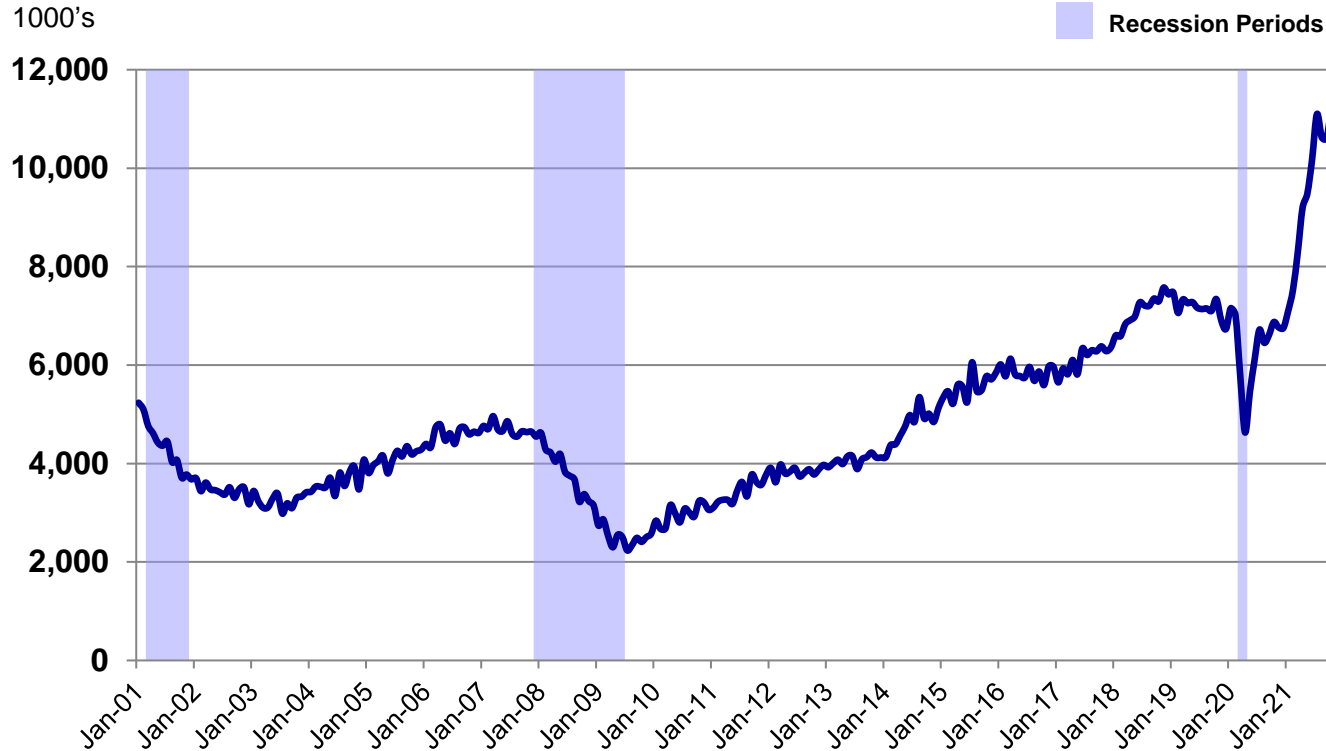
* of mortgage and consumer debt (including auto, rent and tax payments) to disposable income.

**Data through the third quarter 2021



Job Openings 2001 – 2021*

Source: U.S. Bureau of Labor Statistics

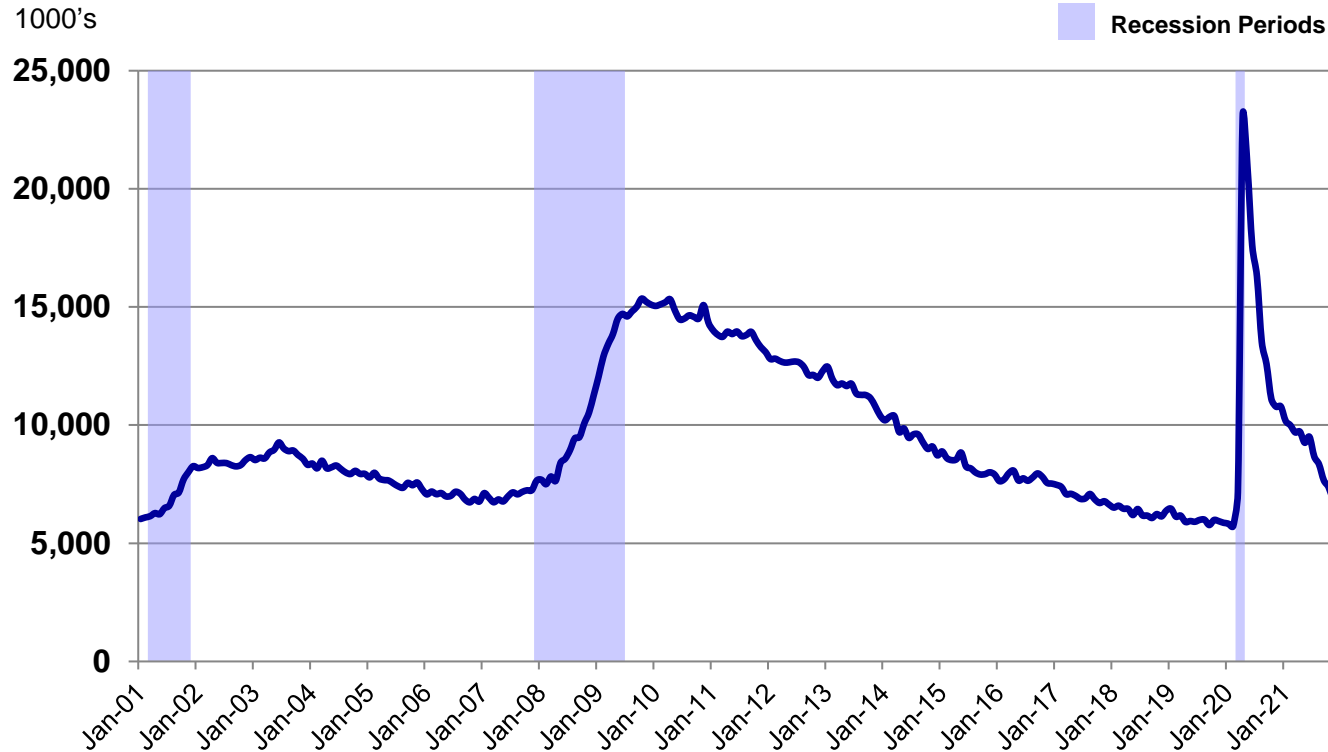


**Lots of
Jobs**



Number of People Unemployment (U-3) 2001 – 2021*

Source: U.S. Bureau of Labor Statistics



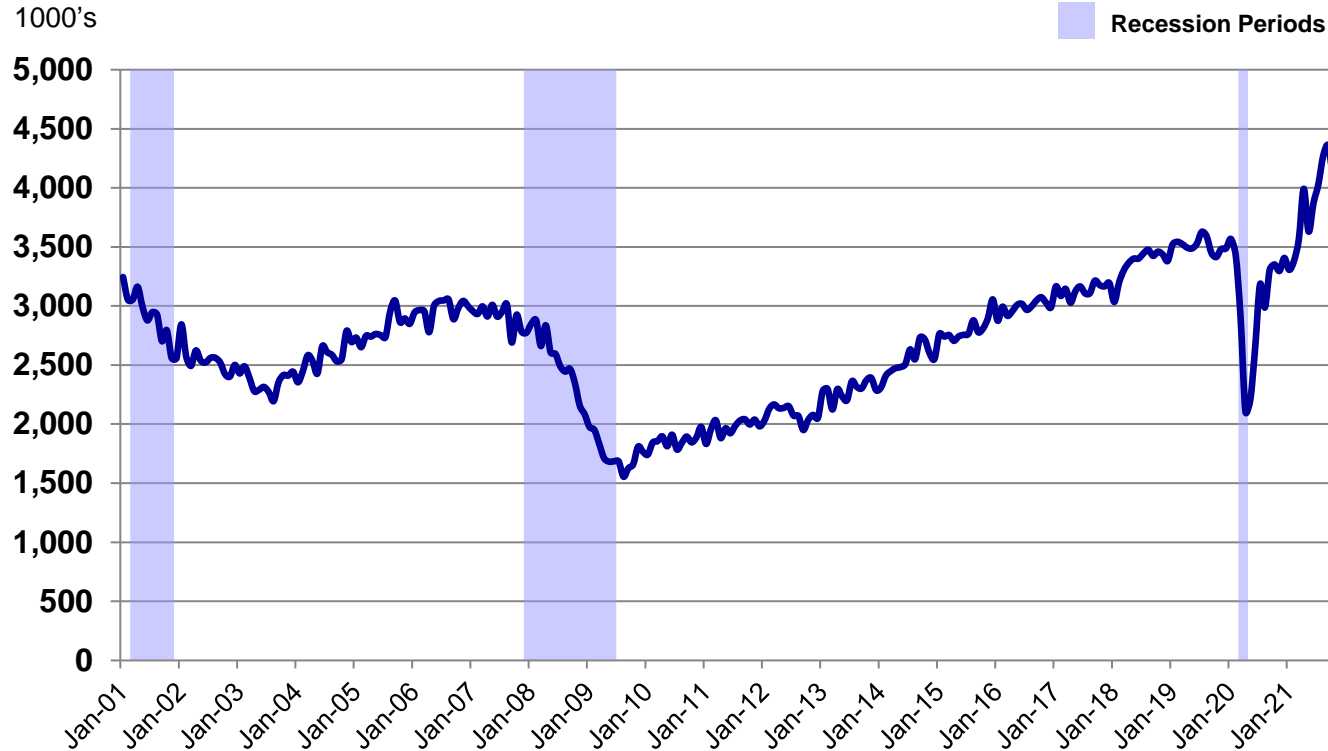
**More Jobs
Available than
people
unemployed**



Quits

2001 – 2021*

Source: U.S. Bureau of Labor Statistics



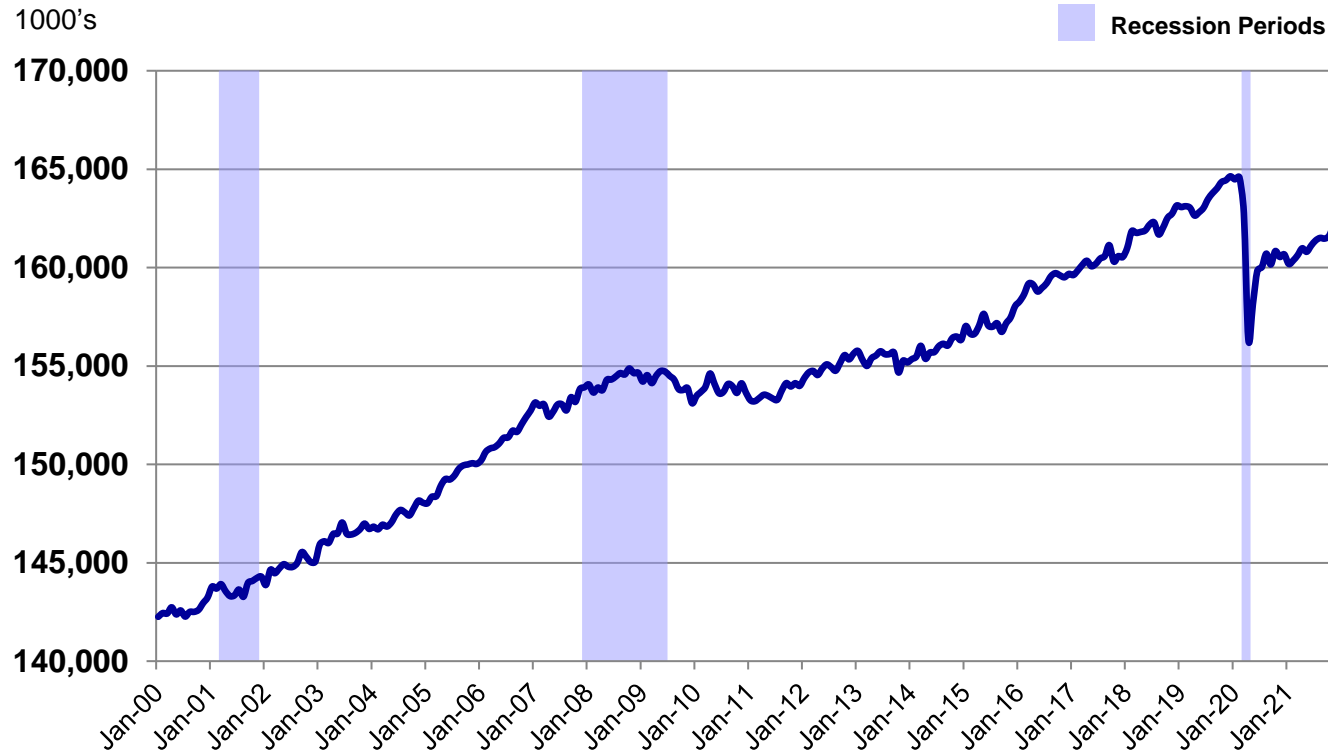
**People
Changing
Jobs at Will**



Labor Force (S/A)

2000 – 2021*

Source: U.S. Bureau of Labor Statistics



Where Did
The Workers
Go?



Headwinds For Labor Market

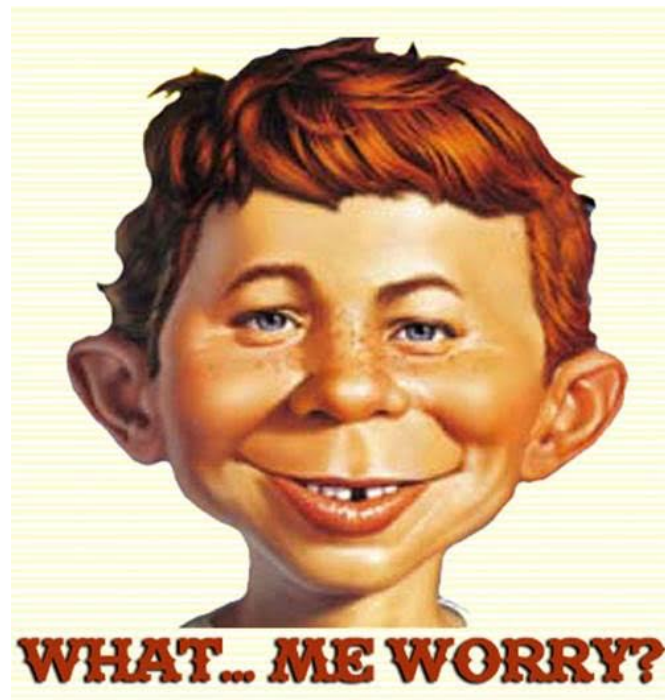
- The participation rate has dropped fastest among women, workers without a college degree and those in low paying service industries such as hotels, restaurants and childcare.
- As a group, those over 55 are better prepared for retirement (growth in their 401k and other retirement savings as well as home prices). Acceleration of retirement is a long-term shift that is likely to continue.
- Those whose skills have eroded during COVID may not return.
- Women with childcare issues or parent care issues, especially those in lower wage jobs, may not return to work.
- Some people won't return to the labor force until Covid is completely under control.
- Even with the expiration of enhanced unemployment benefits, many have saved so much money from various stimulus programs that they don't need to return to work yet.
- Beware of incentives not to work in the proposed Bring Back Better act

All of this spells higher wages and price increases.



And yet Fiscal and Monetary policy has been extremely stimulative

The government continues to inject liquidity to the system while holding rates low and spending trillions more.



**Too much money chasing to
few goods.**



Federal Stimulus

- Last year alone, the government spend \$1.9 trillion on the American Rescue Plan that was supposed to create 7 million jobs. That bill created few new jobs.
- Then, the bipartisan Infrastructure and Jobs Act created another \$1.2 trillion dollars in spending.
- More stimulus is expected as the Built Back Better bill is reintroduced in smaller bites.



The Fed

- Having promised us only transitory inflation the Fed currently has no good options with dealing the issue.
- Raising interest rates too rapidly might send us into a recession in an election year and will increase the cost of borrowing on the national debt.



The Fed

- The fed has a very difficult task in front of it and the Federal Government's fiscal policy is out of control.
- The Fed says it will raise the FFR 3 times in 2022.



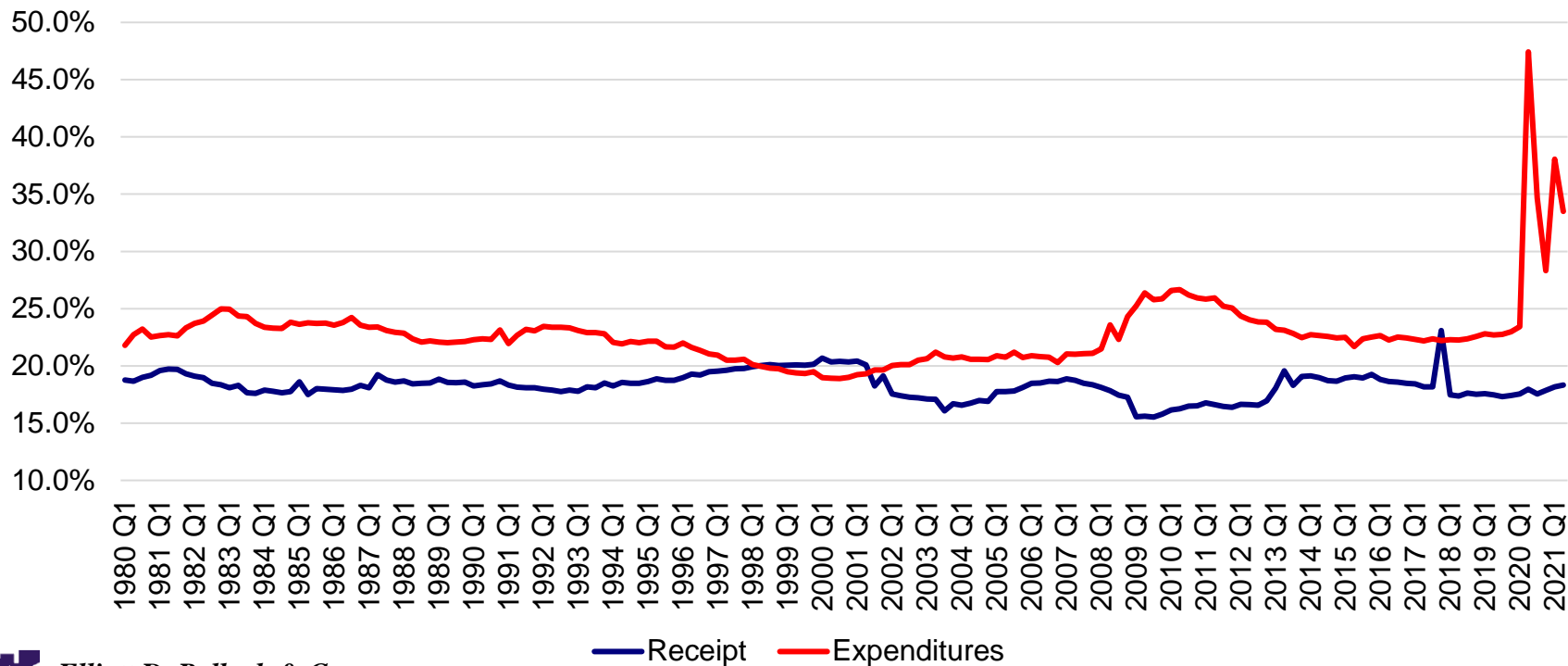
Congress

- On the fiscal side, cutting social spending is politically unfeasible.
- Raising taxes could undercut economic growth.



Federal Tax Receipts and Spending as a % of GDP

Source: OMB; BEA



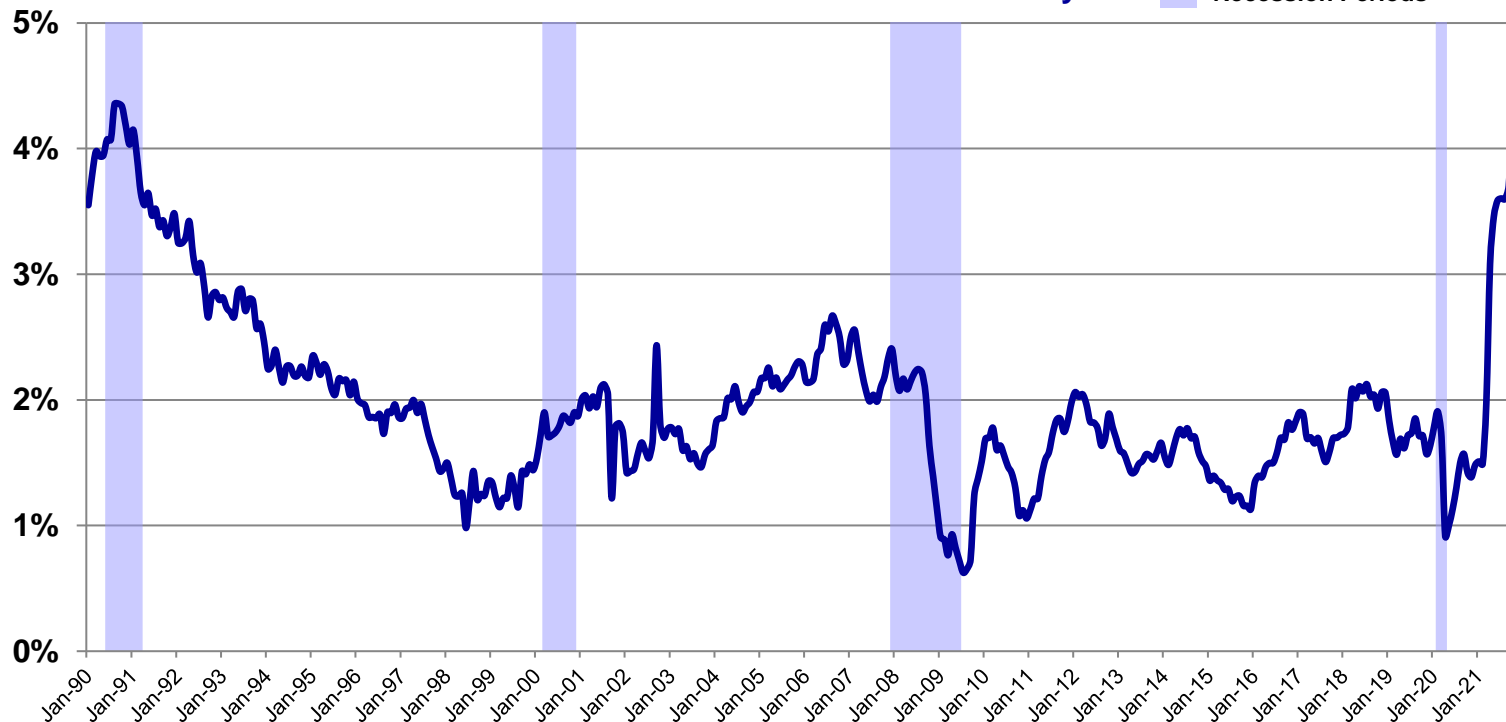
PCE: Excluding Food and Energy Index

Annual % Change

1990 - 2021

Source: U.S. Bureau of Economic Analysis

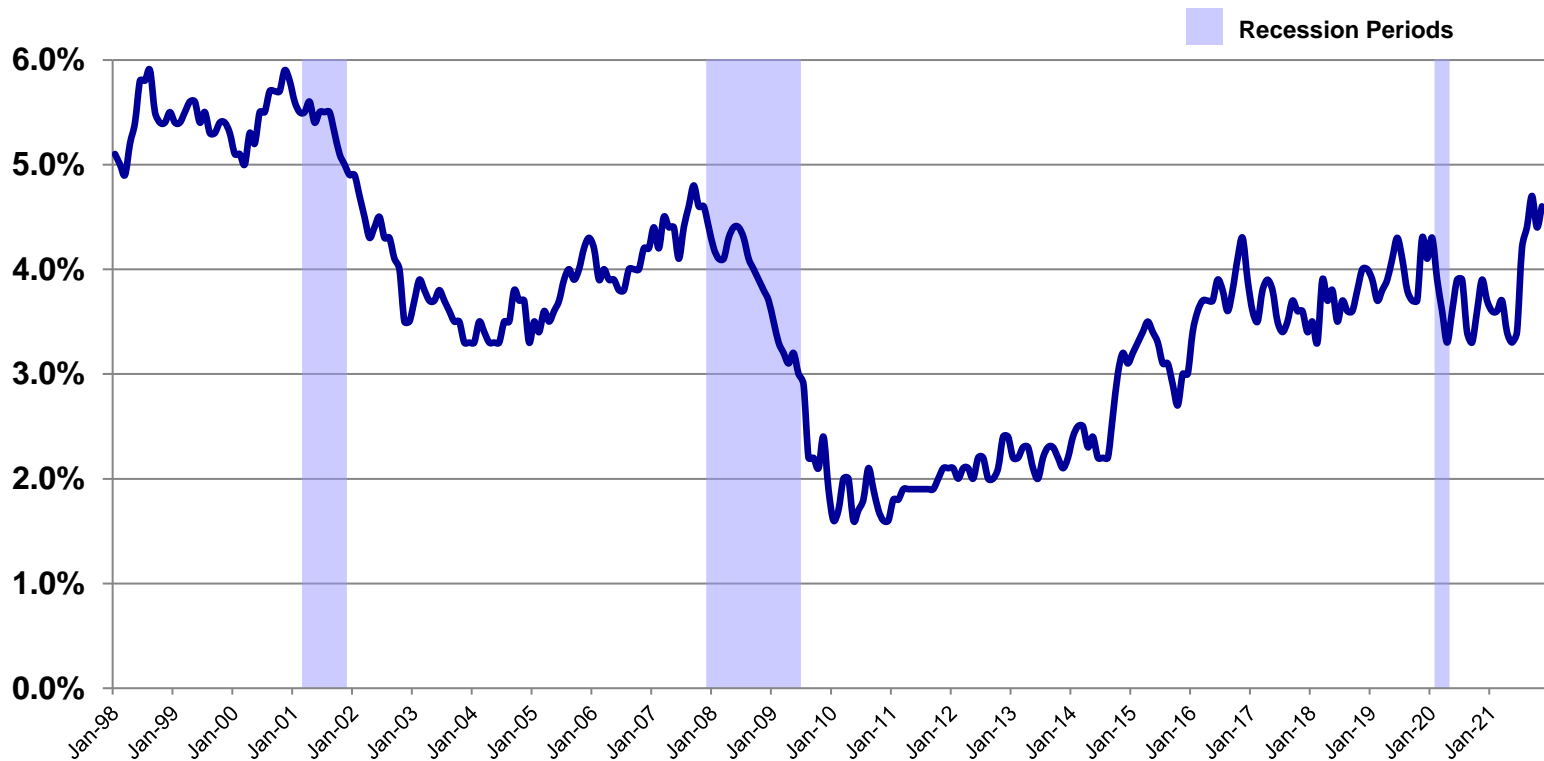
Recession Periods



Weighted Overall Wage Growth Tracker, 3-Month Moving Average

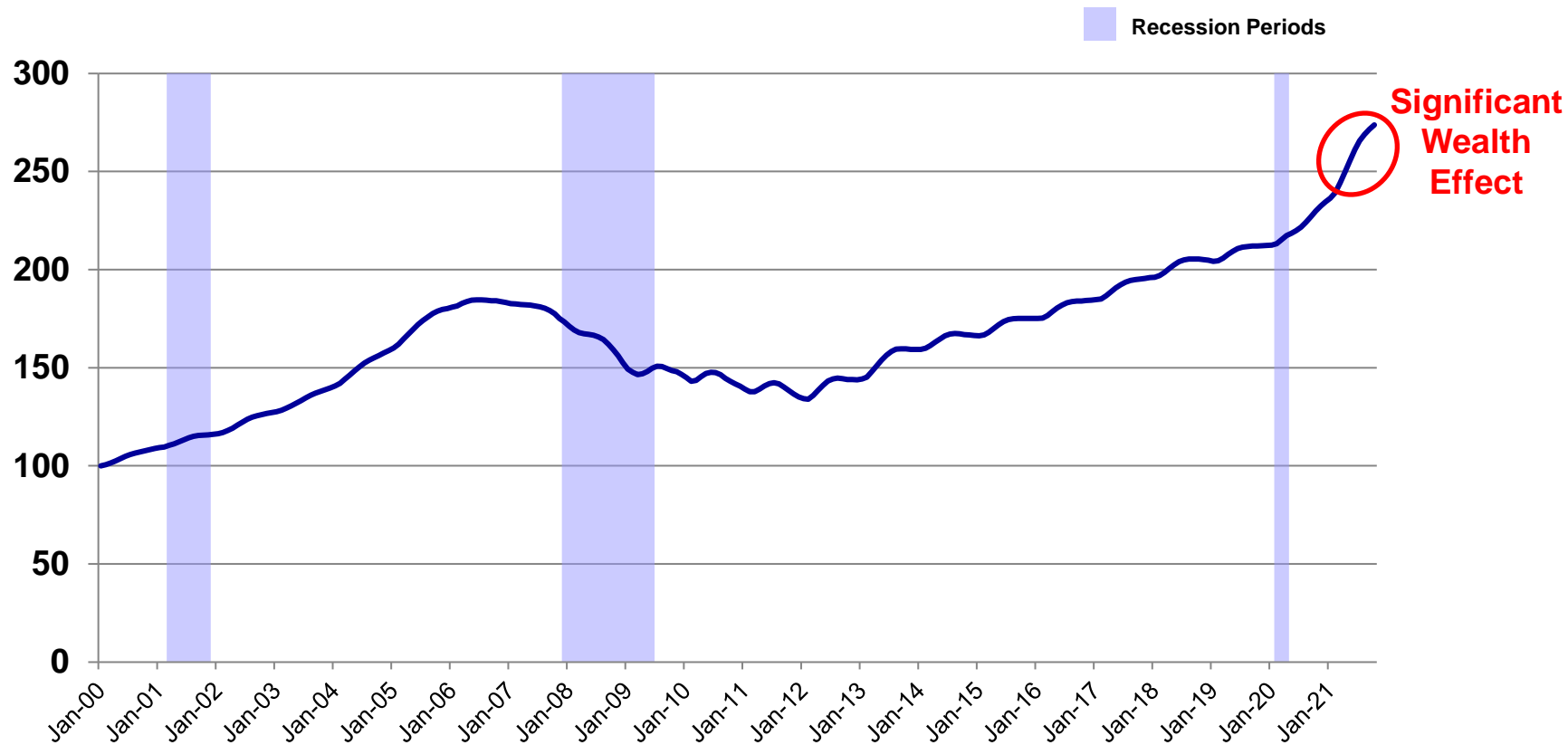
1998 - 2021

Source: Sources: Current Population Survey, Bureau of Labor Statistics, and Federal Reserve Bank of Atlanta Calculations.



U.S. S&P/Case-Shiller Home Price Indices

2000 – 2021*



Supply Chain Issues

- Global supply chains feed one another.
- Shortages of one product or component create supply shortages and price swings of other products or components.
- To fix this, lockdowns and other things that affect the ability of a plant to run effectively and get its products delivered at normal rates have to end. This is a worldwide issue.
- **Omicron is the current culprit.**



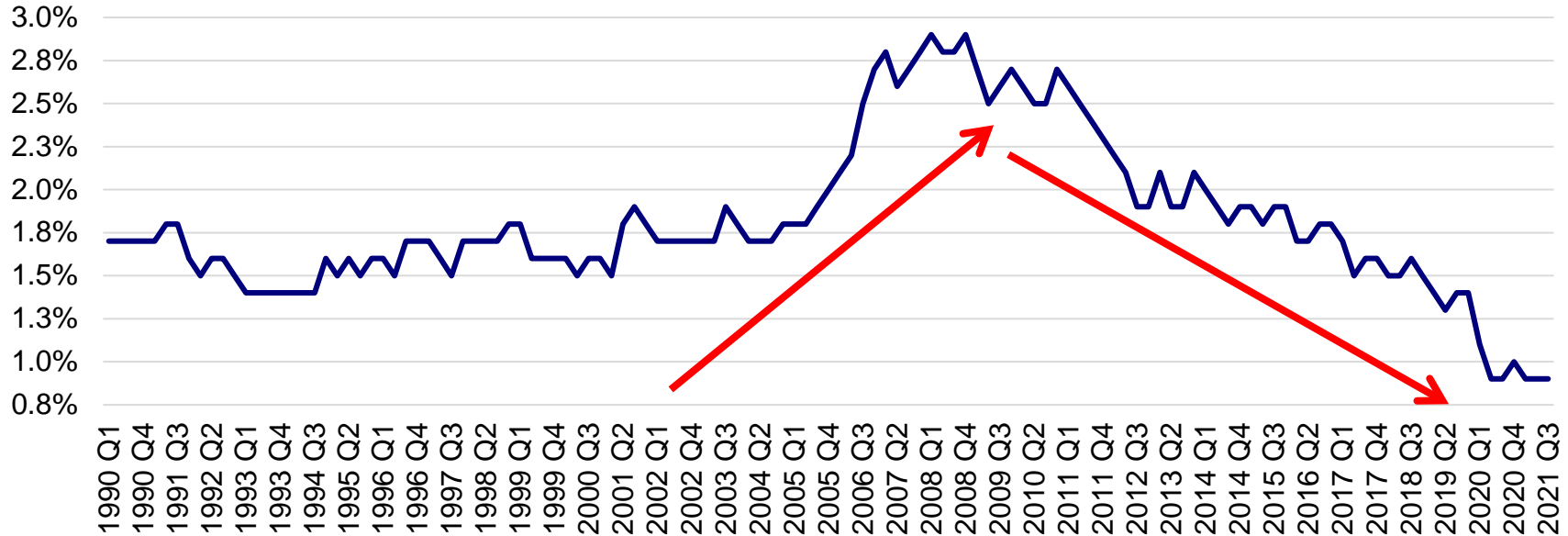
Supply Chain Issues

- GDP growth will slow now but will speed up later.
- This has created upward pressure on prices now. But, prices will fall once capacity comes back online. But, the price declines will not erase all of the price increases.
- **The timing of this is uncertain.**



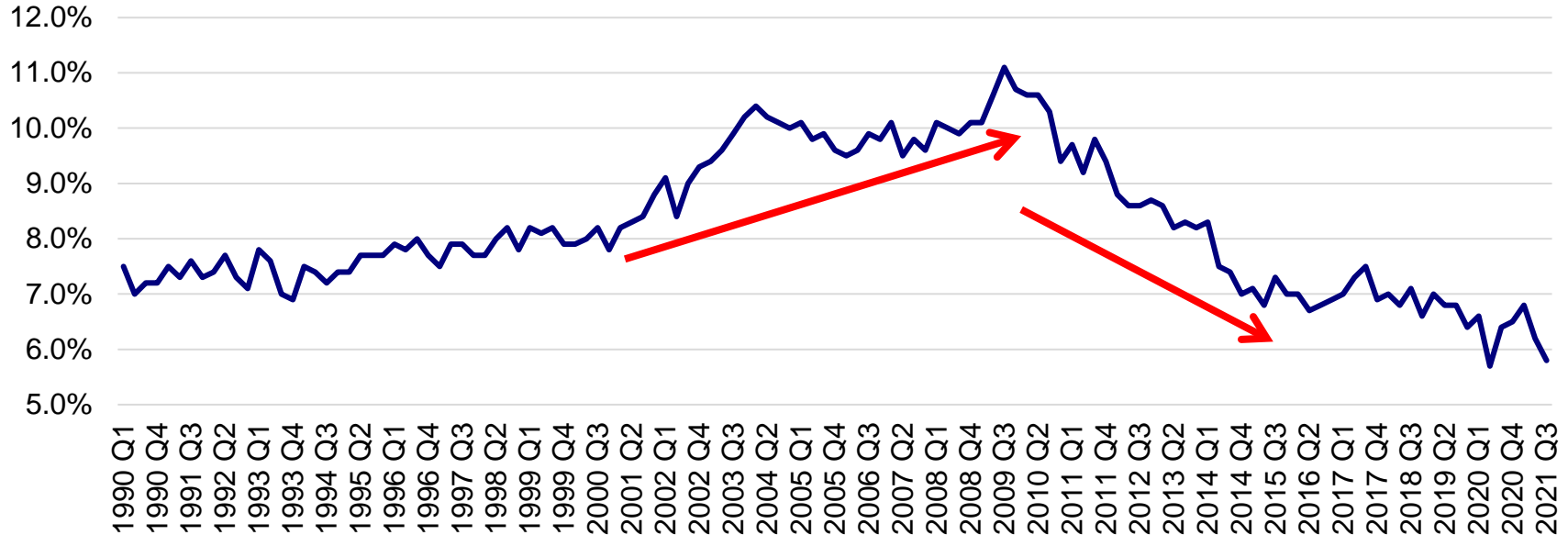
U.S. Homeowner Vacancy Rate

Source: U.S. Census Bureau



U.S. Rental Vacancy Rate

Source: U.S. Census Bureau



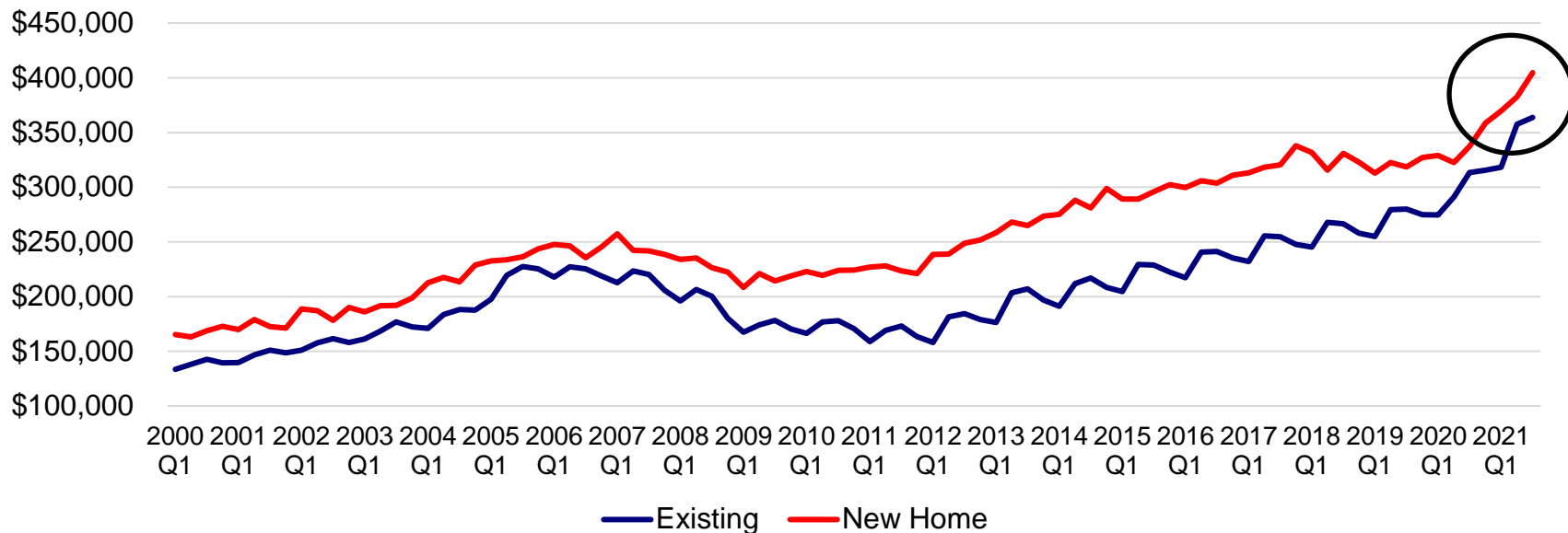
**The 2000's were a decade of
building excess inventory.
The 2010's were a decade of
absorbing that inventory.
We are now short of inventory.**



Median New and Resale Home Prices

2000 – 2021 *

Source: NAR; U.S. Census Bureau




YoY Growth:

New 19.9%

Resale 16.0%





Not only is demand at a record high but we have a big hole (shortage) to fill because vacancies are so low.

The estimated shortage of single family homes is 25,000 and 15,000 for multifamily in Greater Phoenix. This is on top of what is needed to meet normal population growth.

The national housing shortage is in the millions of units.



In the U.S.

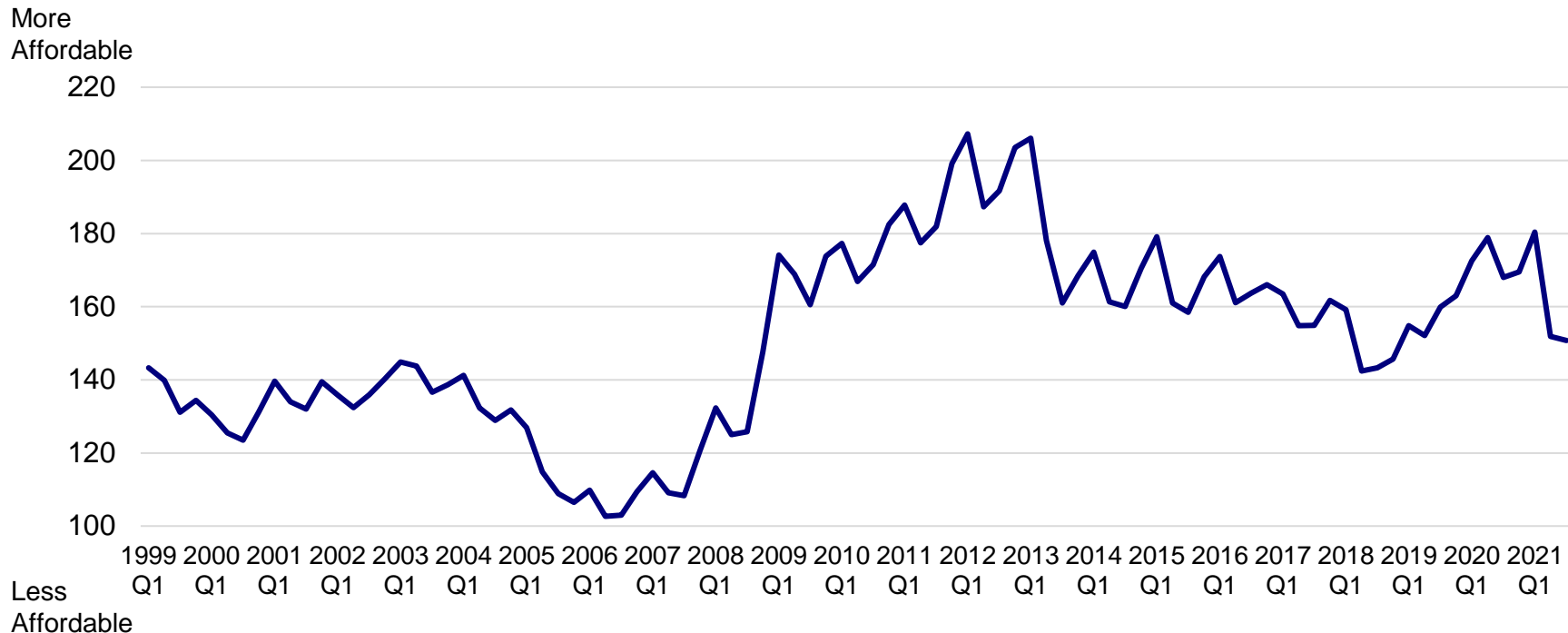
Source: NAR; Redfin

- Months of Supply:
 - November 2015 – 5.1
 - November 2019 – 3.7
 - November 2021 – 2.1
- Number of Homes for Sale:
 - November 2015 – 1,792,877
 - November 2019 – 1,468,070
 - November 2021 – 693,529



U.S. Existing Housing Affordability Index

Source: National Association of Realtors





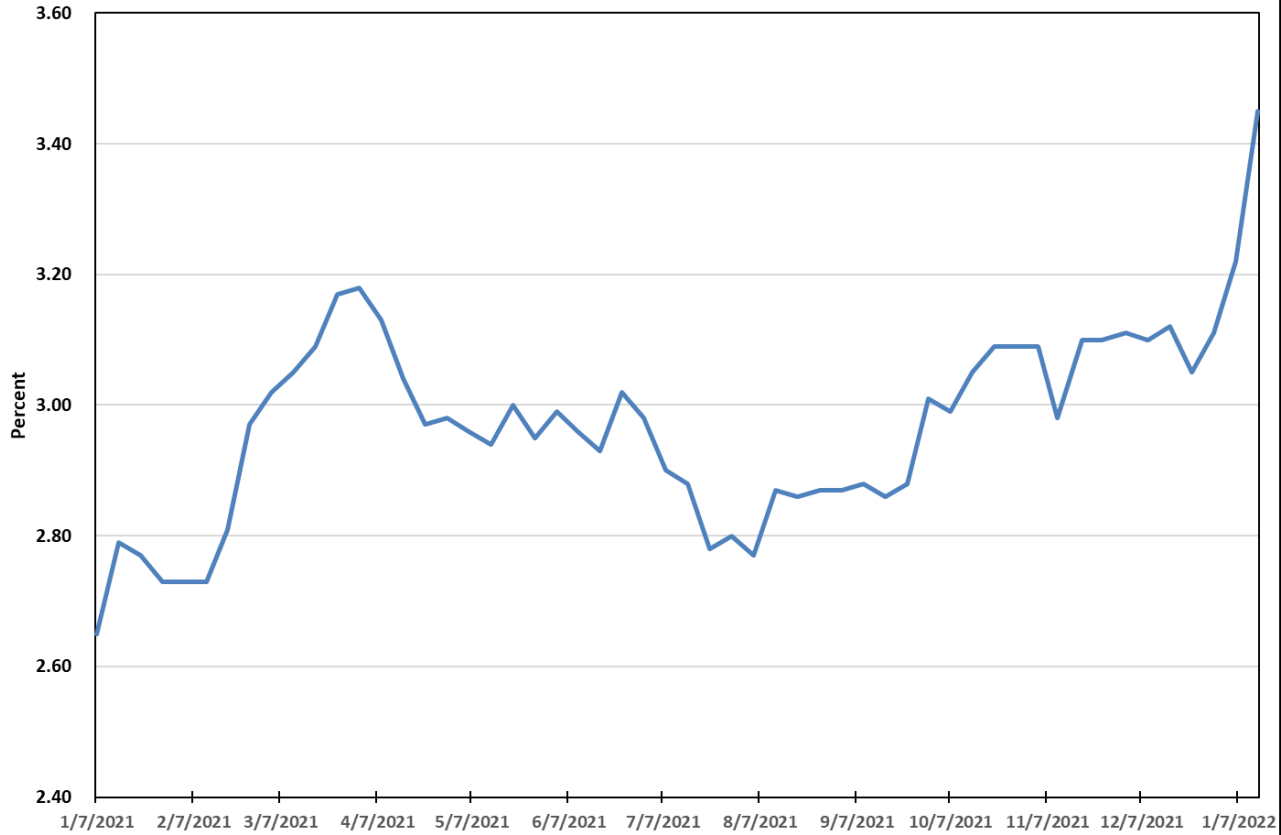
**The primary reason housing remains
affordable is interests rates.**

**What happens if interest rates go
up?**



30-Year Mortgage Rates

Source: Freddie Mac Primary Mortgage Market Survey



**Total housing construction should continue
at or near current levels for quite a while.**

**The question ultimately will be about the mix
of single family and apartments.**



Arizona & Greater Phoenix

- Strong job growth
- Most of the growth is in Greater Phoenix
- Economic development successes (semiconductors, electrical car manufactures and suppliers)
- Strong industrial growth
- Strong but flattening housing market
- Continued population growth



Population Migration

Lost Population 2020-2021	
State	Population Change
New York	-319,020
California	-261,902
Illinois	-113,776
Massachusetts	-37,497
Louisiana	-27,156
Pennsylvania	-25,569
District of Columbia	-20,043
Michigan	-16,853
New Jersey	-12,613
Ohio	-10,570
Gained Population 2020-2021	
State	Population Change
Texas	310,288
Florida	211,196
Arizona	98,330
North Carolina	93,985
Georgia	73,766
South Carolina	59,976
Utah	56,291
Tennessee	55,099
Idaho	53,151



Arizona:

Phoenix and the rest of the State

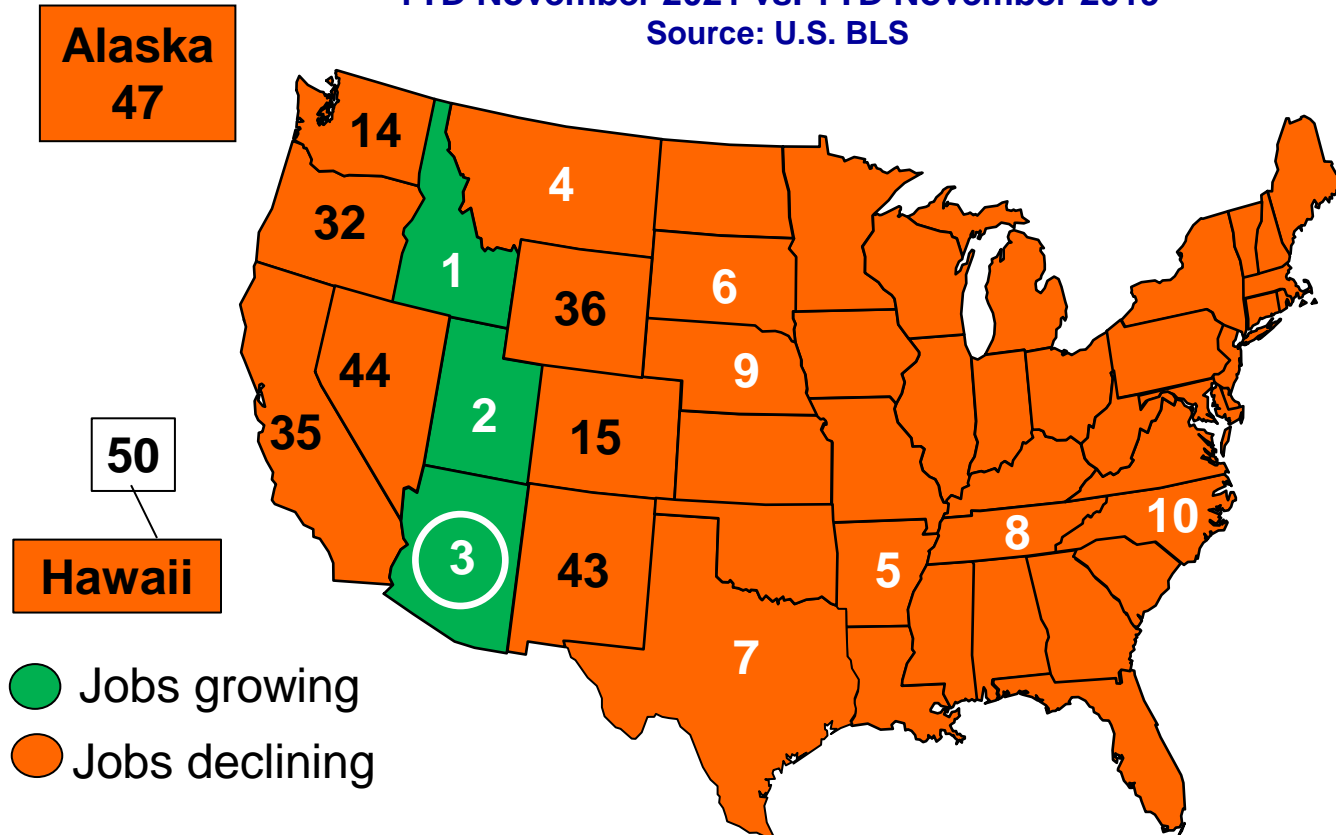
Area	% Change	% of Arizona Job Growth	2020 Annual Wages
United States	14.3%		\$64,247
Arizona	12.6%	100%	\$58,171
Greater Phoenix	13.4%	78.6%	\$60,687
Greater Tucson	9.5%	9.8%	\$51,633
Balance of State	11.7%	11.5%	\$43,596



Job Growth 2021 versus 2019

YTD November 2021 vs. YTD November 2019

Source: U.S. BLS



Greater Phoenix Employment Ranking

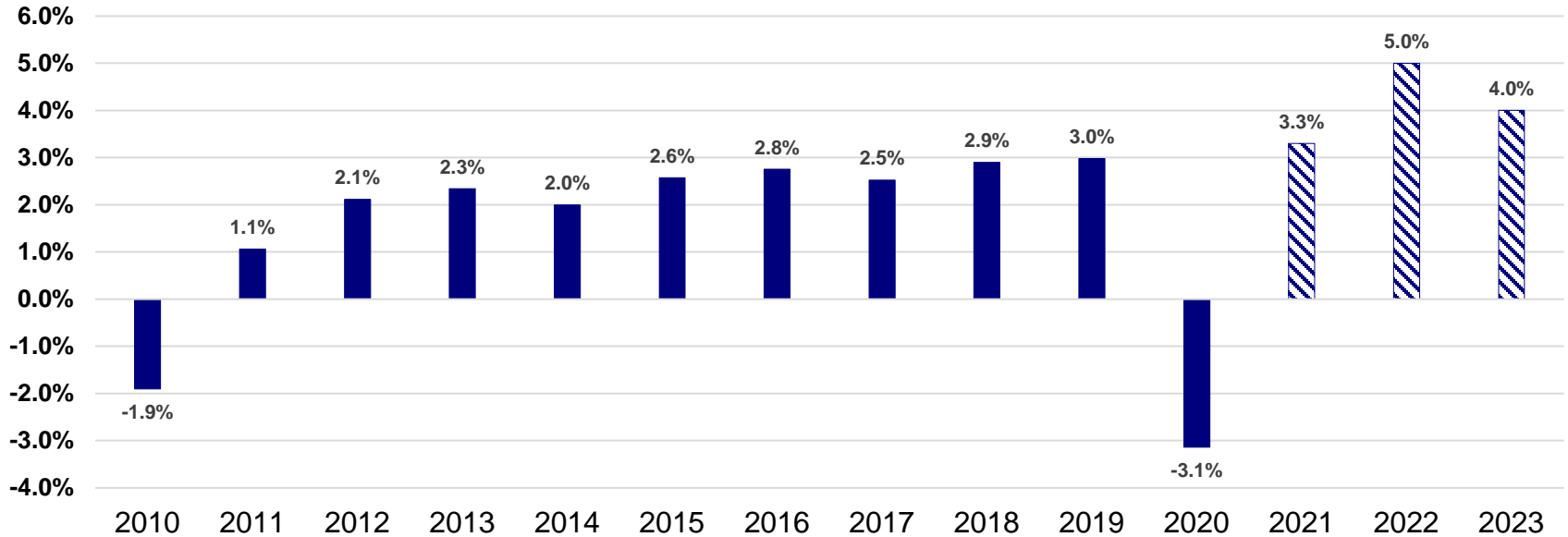
- When comparing Y-T-D 2021 versus Y-T-D 2019 Greater Phoenix is second behind only the Austin metro area that has about half the number of jobs.



Arizona

Employment

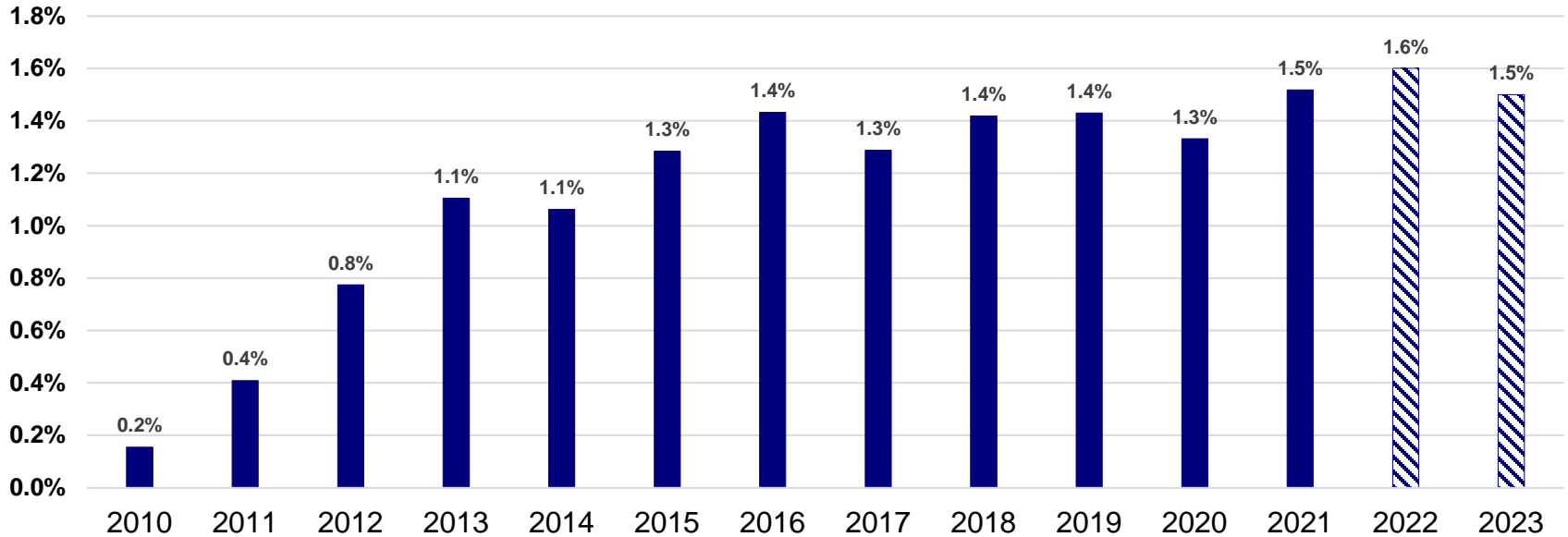
Source: AOEO; EDPCo



Arizona

Population

Source: AOEO; EDPCo



One-way 26-Ft. Truck Rental Rates

Source: Uhaul.com

From	To	U-Haul Cost
Los Angeles	Phoenix	\$1,483
Phoenix	Los Angeles	\$249
San Francisco	Phoenix	\$2,500
Phoenix	San Francisco	\$374

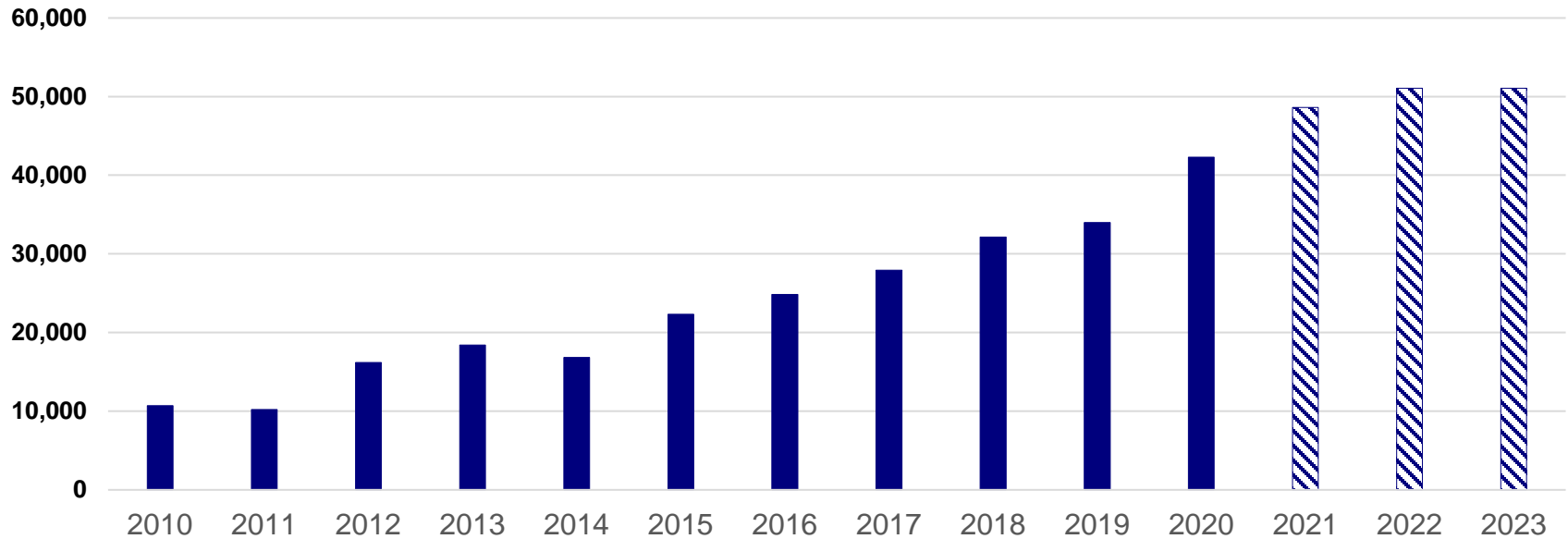
Arizona ranked 5th in U-Haul's 2021 Growth States



Arizona

Single Family Permits

Source: U.S. Census ; EDPCo





Supply and Demand

Greater Phoenix Real Estate Market

- Has one of the most significant imbalances of supply and demand in the nation.
- We are under supplied in existing homes, new homes and apartments.
- This is driving people to the new home market.
- Higher pricing of for sale housing is forcing some of the market to rentals.





Affordability – Lots of Demand and Lack of Supply

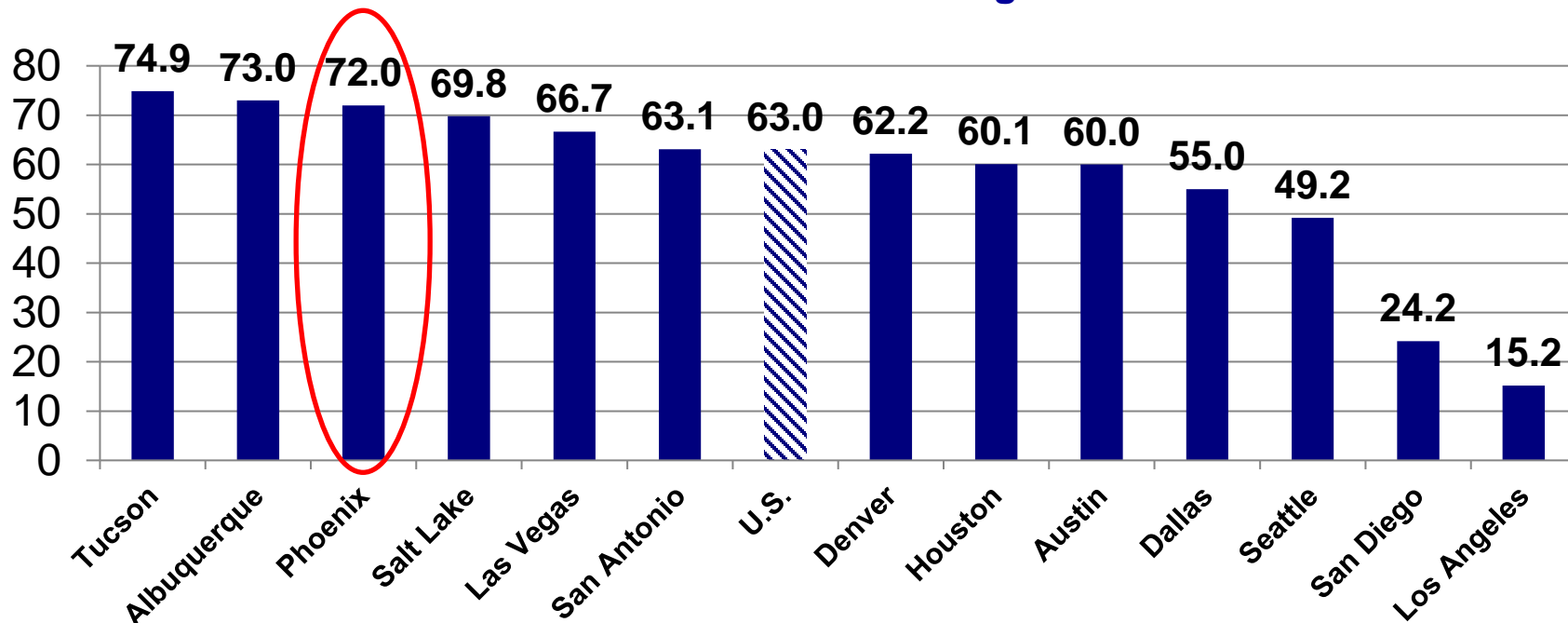
- Affordability is not a terminal issue now, but it is becoming significant,
- There is plenty of local demand and people relocating to Greater Phoenix.
- But if interest rates increase, the housing market may become unaffordable to local households.
- There is a shortage of all types of housing, and it will take time to cure.



Housing Opportunity Index

2015 Q3

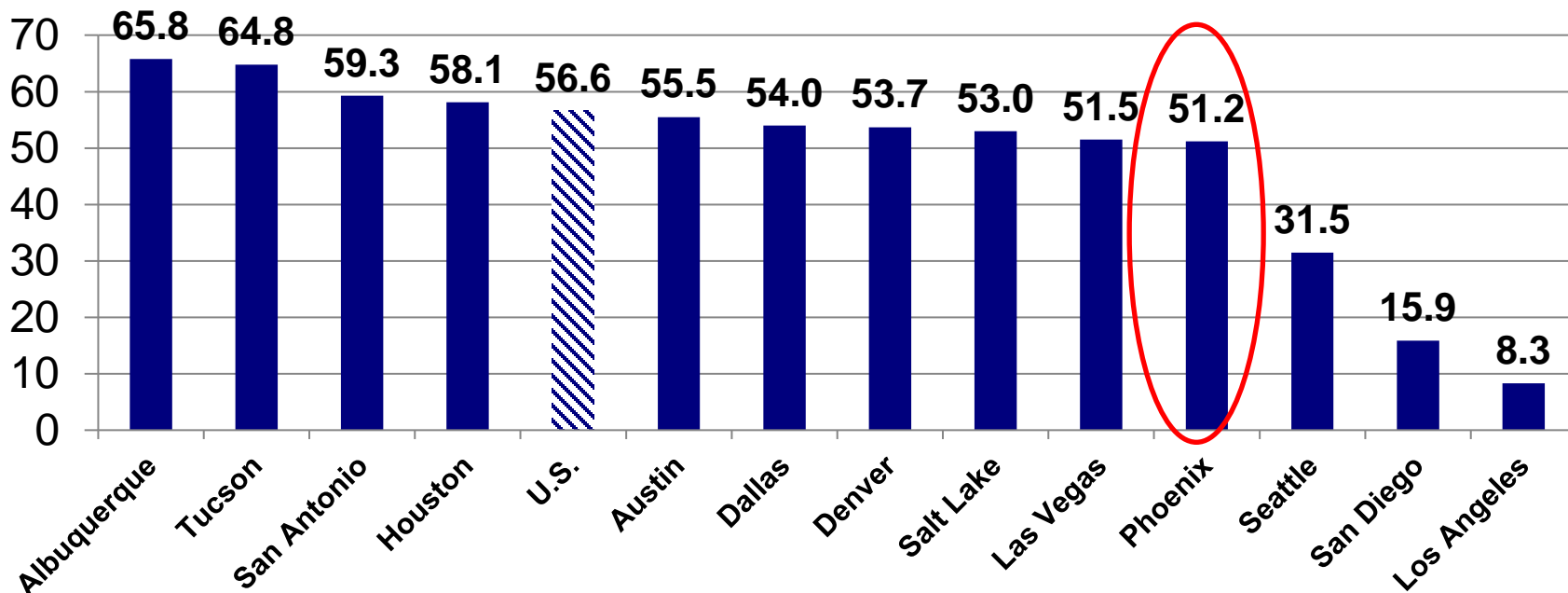
Source: NAHB/Wells Fargo



Housing Opportunity Index

2021 Q3

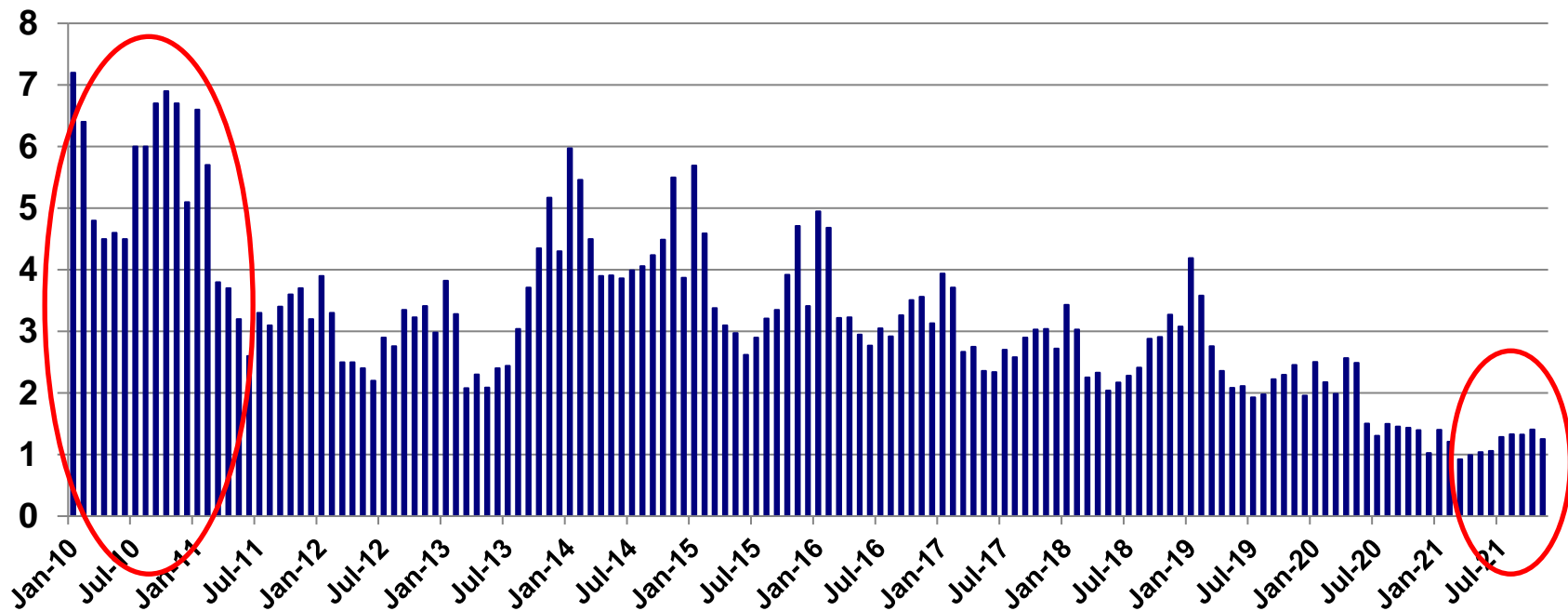
Source: NAHB/Wells Fargo



Greater Phoenix Months Supply

2002-2021*

Source: ARMLS

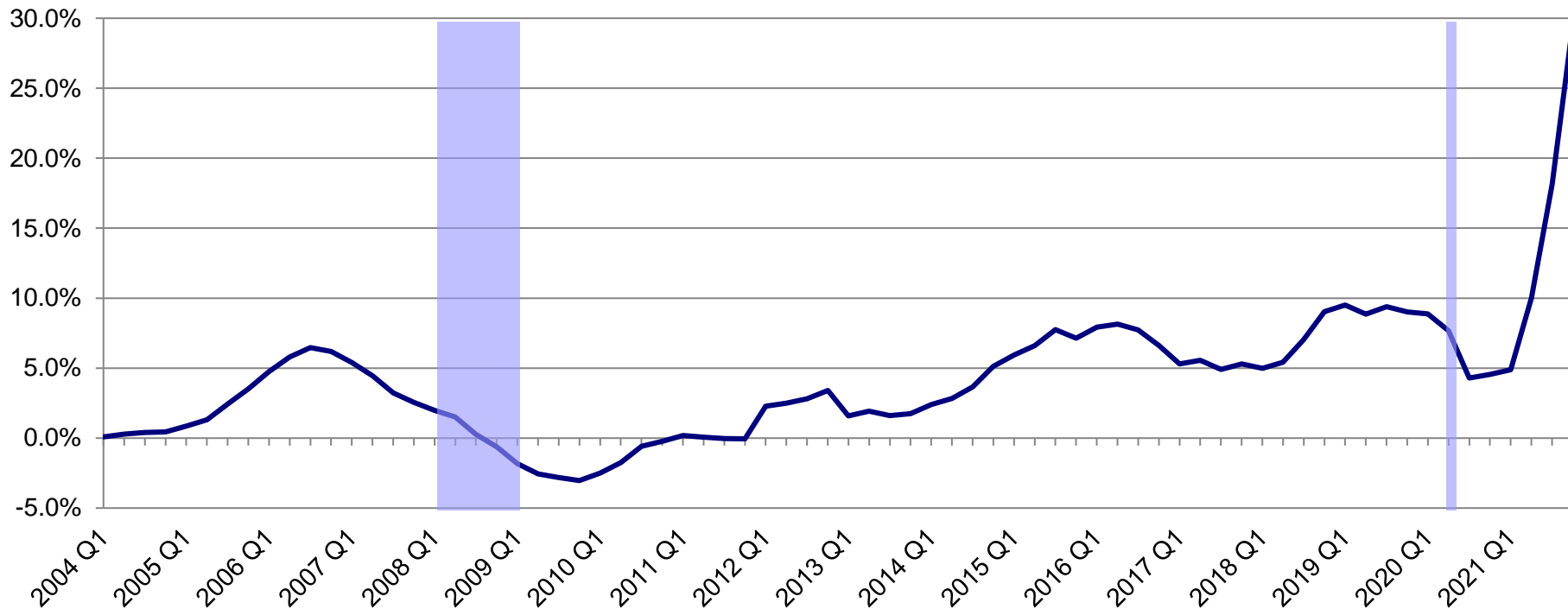


Greater Phoenix Multi-Family Average Rent Percent Change a Year Ago

2004 – 2021*

Source: RealData

Recession Periods



How are we doing?

1. Stocks near all-time highs
2. Home prices at all-time highs
3. Wages at all-time highs and accelerating.
4. Job opening minus unemployed at all-time highs.
5. Inflation at the highest level since 1982

LOTS OF RISK



Overall Conclusions:

Unless there is a very poor political decisions that affect the economy, a black swan event or a dramatic unexpected move in interest rates...

the economy will continue be strong through 2023.





Overall Conclusions:

**Demand side looks good. Supply side
needs work.**

**No matter what happens, Arizona will
likely continue to be stronger than the
U.S. as a whole.**



FINANCE ADVISORY COMMITTEE CASH FLOW UPDATE

January 20, 2022

The Honorable Kimberly Yee

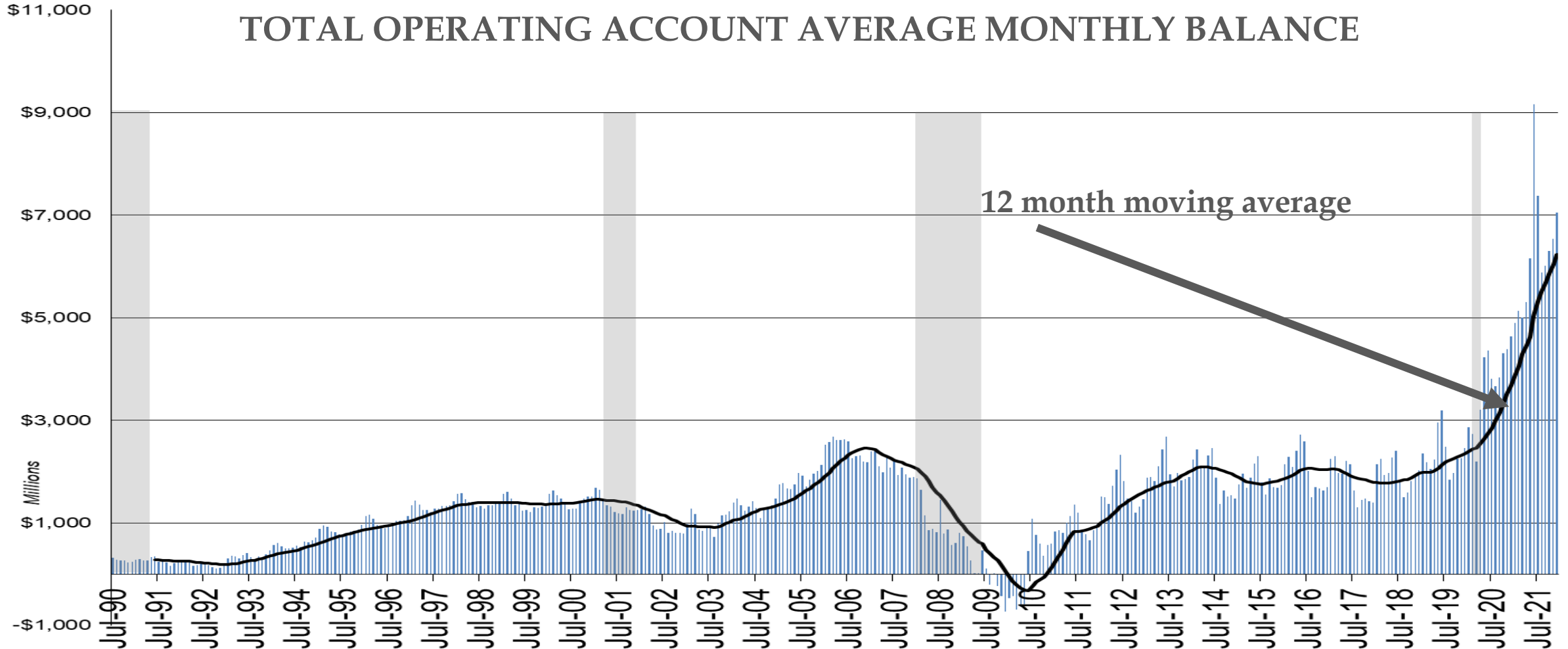
Treasurer

State of Arizona



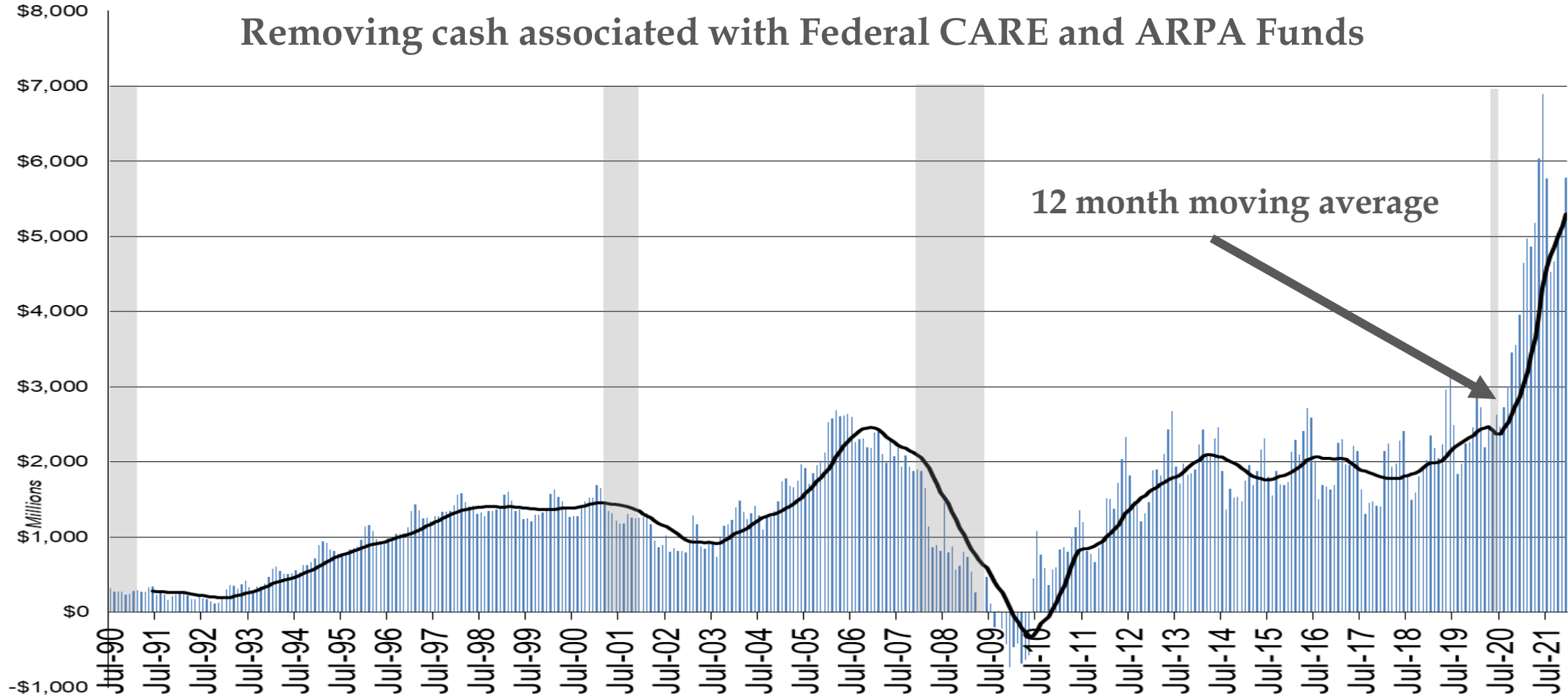


STATE CASH FLOW UP 59% YTD



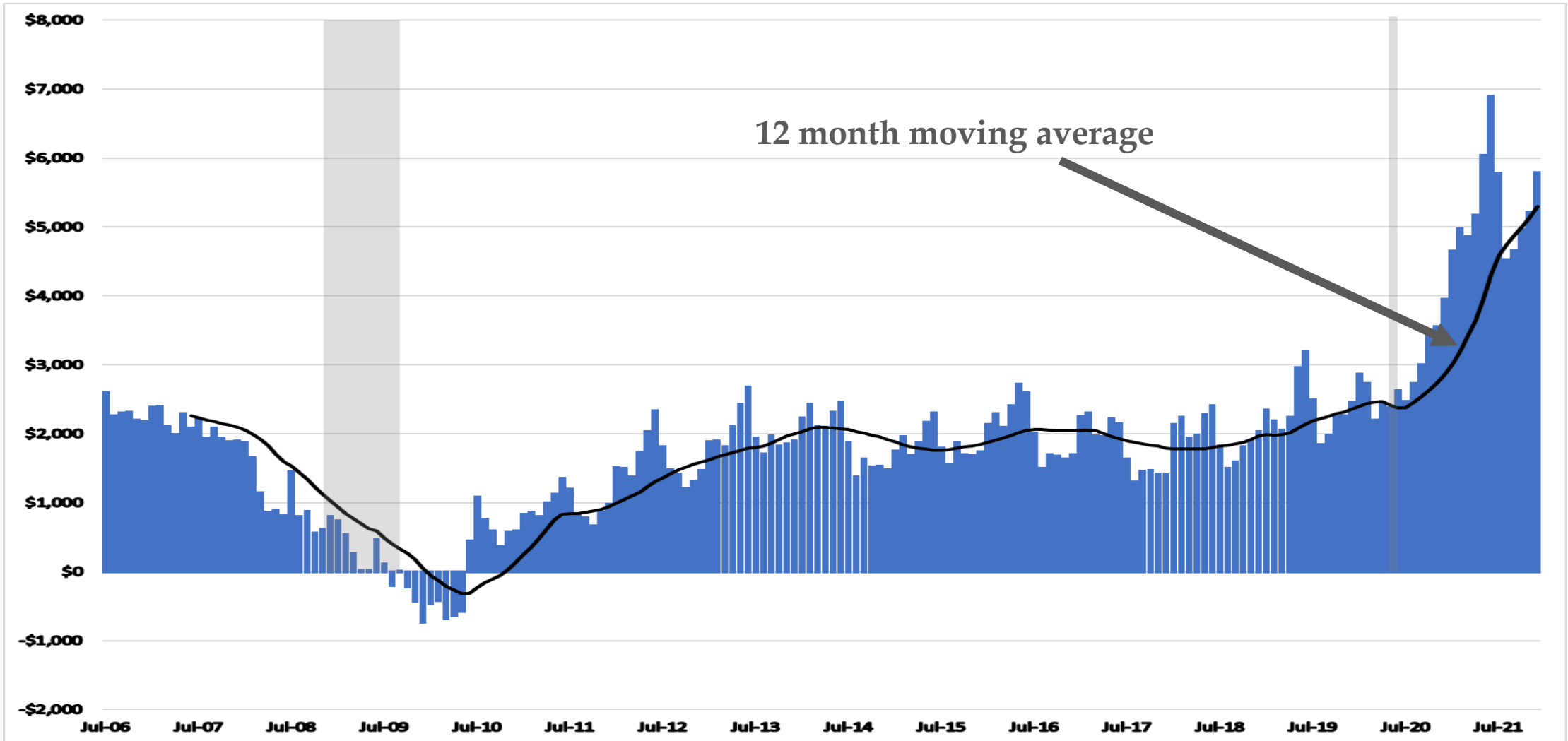


STATE CASH FLOW ADJUSTED UP 61% YTD





STATE CASH FLOW ADJUSTED UP 61% YTD



Sales Tax

Arizona Sales Tax - Total (excl. 1% Tax)

General Fund Collections

		Year-to-Year %		Year-to-Date	
		Collections (\$)	Change	Collections (\$)	Change
FY 2018	July 2017	391,718,305	6.8%	391,718,305	6.8%
	Aug 2017	373,970,308	3.0%	765,688,613	4.9%
	Sep 2017	385,518,602	6.9%	1,151,207,216	5.6%
	Oct 2017	386,557,546	4.9%	1,537,764,762	5.4%
	Nov 2017	382,361,517	6.8%	1,920,126,279	5.7%
	Dec 2017	388,576,767	7.6%	2,308,703,046	6.0%
	Jan 2018	449,027,011	4.8%	2,757,730,057	5.8%
	Feb 2018	382,719,831	9.0%	3,140,449,887	6.2%
	Mar 2018	381,015,049	7.9%	3,521,464,936	6.4%
	Apr 2018	443,360,935	10.8%	3,964,825,872	6.8%
	May 2018	396,298,741	5.4%	4,361,124,613	6.7%
	June 2018	426,337,892	1.6%	4,787,462,504	6.2%
FY 2019	July 2018	410,810,104	4.9%	410,810,104	4.9%
	Aug 2018	406,008,572	8.6%	816,818,676	6.7%
	Sep 2018	416,392,278	8.0%	1,233,210,954	7.1%
	Oct 2018	408,148,956	5.6%	1,641,359,910	6.7%
	Nov 2018	413,010,729	8.0%	2,054,370,639	7.0%
	Dec 2018	418,682,790	7.7%	2,473,053,429	7.1%
	Jan 2019	477,534,483	6.3%	2,950,587,912	7.0%
	Feb 2019	407,044,303	6.4%	3,357,632,215	6.9%
	Mar 2019	394,874,553	3.6%	3,752,506,767	6.6%
	Apr 2019	471,874,786	6.4%	4,224,381,553	6.5%
	May 2019	432,794,335	9.2%	4,657,175,888	6.8%
	June 2019	439,575,368	3.1%	5,096,751,256	6.5%
FY 2020	July 2019	436,069,274	6.1%	436,069,274	6.1%
	Aug 2019	436,717,097	7.6%	872,786,371	6.9%
	Sep 2019	445,187,625	6.9%	1,317,973,997	6.9%
	Oct 2019	433,756,765	6.3%	1,751,730,761	6.7%
	Nov 2019	452,255,877	9.5%	2,203,986,638	7.3%
	Dec 2019	445,648,888	6.4%	2,649,635,526	7.1%
	Jan 2020	538,906,598	12.9%	3,188,542,124	8.1%
	Feb 2020	448,284,583	10.1%	3,636,826,707	8.3%
	Mar 2020	429,902,939	8.9%	4,066,729,646	8.4%
	Apr 2020	447,915,621	-5.1%	4,514,645,267	6.9%
	May 2020	393,262,758	-9.1%	4,907,908,024	5.4%
	June 2020	484,004,897	10.1%	5,391,912,921	5.8%
FY 2021	July 2020	492,729,052	13.0%	492,729,052	13.0%
	Aug 2020	479,794,971	9.9%	972,524,023	11.4%
	Sep 2020	491,053,111	10.3%	1,463,577,134	11.0%
	Oct 2020	503,156,817	16.0%	1,966,733,951	12.3%
	Nov 2020	493,399,028	9.1%	2,460,132,979	11.6%
	Dec 2020	495,240,238	11.1%	2,955,373,218	11.5%
	Jan 2021	588,513,600	9.2%	3,543,886,818	11.1%
	Feb 2021	477,617,209	6.5%	4,021,504,027	10.6%
	Mar 2021	477,928,300	11.2%	4,499,432,327	10.6%
	Apr 2021	596,100,248	33.1%	5,095,532,575	12.9%
	May 2021	551,912,319	40.3%	5,647,444,895	15.1%
	June 2021	596,061,211	23.2%	6,243,506,106	15.8%
FY 2022	July 2021	580,889,609	17.9%	580,889,609	17.9%
	Aug 2021	554,472,436	15.6%	1,135,362,045	16.7%
	Sep 2021	556,907,948	13.4%	1,692,269,993	15.6%
	Oct 2021	577,638,316	14.8%	2,269,908,309	15.4%
	Nov 2021	568,682,990	15.3%	2,838,591,299	15.4%
	Dec 2021	589,027,512	18.9%	3,427,618,811	16.0%
	Jan 2022				
	Feb 2022				
	Mar 2022				
	Apr 2022				
	May 2022				
	June 2022				

Arizona Sales Tax - Retail (excludes Remote Sellers)

General Fund Collections

		Year-to-Year %		Year-to-Date	Year-to-Date %
		Collections (\$)	Change	Collections (\$)	Change
FY 2018	July 2017	203,771,087	6.3%	203,771,087	6.3%
	Aug 2017	184,109,690	-0.1%	387,880,778	3.1%
	Sep 2017	195,211,511	6.9%	583,092,289	4.4%
	Oct 2017	196,271,210	6.2%	779,363,499	4.8%
	Nov 2017	191,119,858	3.7%	970,483,357	4.6%
	Dec 2017	208,137,166	4.7%	1,178,620,523	4.6%
	Jan 2018	257,650,339	2.9%	1,436,270,862	4.3%
	Feb 2018	196,922,230	7.5%	1,633,193,092	4.7%
	Mar 2018	196,685,380	6.8%	1,829,878,473	4.9%
	Apr 2018	235,179,996	11.6%	2,065,058,469	5.6%
	May 2018	205,506,503	3.6%	2,270,564,972	5.4%
	June 2018	217,432,053	6.0%	2,487,997,025	5.5%
FY 2019	July 2018	211,283,576	3.7%	211,283,576	3.7%
	Aug 2018	202,208,161	9.8%	413,491,737	6.6%
	Sep 2018	208,891,354	7.0%	622,383,092	6.7%
	Oct 2018	205,985,537	4.9%	828,368,629	6.3%
	Nov 2018	207,912,123	8.8%	1,036,280,752	6.8%
	Dec 2018	229,232,904	10.1%	1,265,513,656	7.4%
	Jan 2019	270,182,375	4.9%	1,535,696,031	6.9%
	Feb 2019	204,651,086	3.9%	1,740,347,117	6.6%
	Mar 2019	198,881,113	1.1%	1,939,228,230	6.0%
	Apr 2019	244,467,741	3.9%	2,183,695,971	5.7%
	May 2019	230,772,633	12.3%	2,414,468,604	6.3%
	June 2019	229,811,618	5.7%	2,644,280,223	6.3%
FY 2020	July 2019	223,326,583	5.7%	223,326,583	5.7%
	Aug 2019	218,515,683	8.1%	441,842,266	6.9%
	Sep 2019	224,398,981	7.4%	666,241,248	7.0%
	Oct 2019	212,334,348	3.1%	878,575,595	6.1%
	Nov 2019	226,058,857	8.7%	1,104,634,453	6.6%
	Dec 2019	237,043,713	3.4%	1,341,678,166	6.0%
	Jan 2020	296,380,643	9.7%	1,638,058,809	6.7%
	Feb 2020	220,701,710	7.8%	1,858,760,519	6.8%
	Mar 2020	216,178,903	8.7%	2,074,939,422	7.0%
	Apr 2020	233,261,439	-4.6%	2,308,200,861	5.7%
	May 2020	204,551,623	-11.4%	2,512,752,484	4.1%
	June 2020	243,986,550	6.2%	2,756,739,034	4.3%
FY 2021	July 2020	253,301,757	13.4%	253,301,757	13.4%
	Aug 2020	235,625,289	7.8%	488,927,046	10.7%
	Sep 2020	242,957,835	8.3%	731,884,881	9.9%
	Oct 2020	246,478,822	16.1%	978,363,702	11.4%
	Nov 2020	244,030,042	7.9%	1,222,393,745	10.7%
	Dec 2020	258,783,153	9.2%	1,481,176,898	10.4%
	Jan 2021	319,065,356	7.7%	1,800,242,254	9.9%
	Feb 2021	243,282,812	10.2%	2,043,525,066	9.9%
	Mar 2021	248,164,810	14.8%	2,291,689,876	10.4%
	Apr 2021	310,197,144	33.0%	2,601,887,020	12.7%
	May 2021	288,439,997	41.0%	2,890,327,018	15.0%
	June 2021	292,066,115	19.7%	3,182,393,133	15.4%
FY 2022	July 2021	292,003,595	15.3%	292,003,595	15.3%
	Aug 2021	271,711,674	15.3%	563,715,269	15.3%
	Sep 2021	273,171,861	12.4%	836,887,131	14.3%
	Oct 2021	281,877,424	14.4%	1,118,764,554	14.4%
	Nov 2021	282,795,895	15.9%	1,401,560,449	14.7%
	Dec 2021	297,115,843	14.8%	1,698,676,292	14.7%
	Jan 2022				
	Feb 2022				
	Mar 2022				
	Apr 2022				
	May 2022				
	June 2022				

Arizona Sales Tax - Prime Contracting

General Fund Collections

		Year-to-Year %		Year-to-Date	Year-to-Date %
		Collections (\$)	Change	Collections (\$)	Change
FY 2018	July 2017	43,303,966	15.2%	43,303,966	15.2%
	Aug 2017	39,095,558	5.7%	82,399,524	10.5%
	Sep 2017	43,713,382	27.7%	126,112,906	15.9%
	Oct 2017	36,271,765	-2.0%	162,384,671	11.4%
	Nov 2017	44,463,014	19.7%	206,847,686	13.1%
	Dec 2017	40,779,424	15.3%	247,627,110	13.4%
	Jan 2018	44,888,908	8.6%	292,516,018	12.7%
	Feb 2018	41,908,543	25.4%	334,424,561	14.1%
	Mar 2018	38,888,366	15.9%	373,312,927	14.3%
	Apr 2018	46,395,449	16.0%	419,708,375	14.5%
	May 2018	44,795,395	22.0%	464,503,770	15.2%
	June 2018	48,249,076	14.2%	512,752,846	15.1%
FY 2019	July 2018	49,711,167	14.8%	49,711,167	14.8%
	Aug 2018	47,561,917	21.7%	97,273,084	18.1%
	Sep 2018	47,553,309	8.8%	144,826,394	14.8%
	Oct 2018	47,053,948	29.7%	191,880,341	18.2%
	Nov 2018	47,964,825	7.9%	239,845,167	16.0%
	Dec 2018	46,582,055	14.2%	286,427,222	15.7%
	Jan 2019	55,259,125	23.1%	341,686,347	16.8%
	Feb 2019	47,005,862	12.2%	388,692,209	16.2%
	Mar 2019	45,513,581	17.0%	434,205,790	16.3%
	Apr 2019	50,869,242	9.6%	485,075,033	15.6%
	May 2019	52,356,829	16.9%	537,431,861	15.7%
	June 2019	53,931,765	11.8%	591,363,626	15.3%
FY 2020	July 2019	56,888,601	14.4%	56,888,601	14.4%
	Aug 2019	56,066,506	17.9%	112,955,107	16.1%
	Sep 2019	57,687,928	21.3%	170,643,034	17.8%
	Oct 2019	53,454,327	13.6%	224,097,362	16.8%
	Nov 2019	57,244,999	19.3%	281,342,361	17.3%
	Dec 2019	55,338,552	18.8%	336,680,912	17.5%
	Jan 2020	58,626,740	6.1%	395,307,652	15.7%
	Feb 2020	52,838,714	12.4%	448,146,366	15.3%
	Mar 2020	52,860,592	16.1%	501,006,958	15.4%
	Apr 2020	60,314,033	18.6%	561,320,991	15.7%
	May 2020	59,691,556	14.0%	621,012,547	15.6%
	June 2020	66,229,337	22.8%	687,241,884	16.2%
FY 2021	July 2020	71,164,940	25.1%	71,164,940	25.1%
	Aug 2020	67,947,682	21.2%	139,112,622	23.2%
	Sep 2020	64,339,039	11.5%	203,451,661	19.2%
	Oct 2020	65,835,028	23.2%	269,286,689	20.2%
	Nov 2020	71,392,726	24.7%	340,679,415	21.1%
	Dec 2020	60,850,051	10.0%	401,529,466	19.3%
	Jan 2021	75,668,105	29.1%	477,197,571	20.7%
	Feb 2021	57,746,737	9.3%	534,944,308	19.4%
	Mar 2021	55,224,670	4.5%	590,168,978	17.8%
	Apr 2021	63,523,092	5.3%	653,692,070	16.5%
	May 2021	58,798,985	-1.5%	712,491,055	14.7%
	June 2021	68,626,727	3.6%	781,117,782	13.7%
FY 2022	July 2021	70,554,984	-0.9%	70,554,984	-0.9%
	Aug 2021	61,523,296	-9.5%	132,078,280	-5.1%
	Sep 2021	64,422,550	0.1%	196,500,829	-3.4%
	Oct 2021	69,929,932	6.2%	266,430,761	-1.1%
	Nov 2021	66,876,078	-6.3%	333,306,839	-2.2%
	Dec 2021	66,443,065	9.2%	399,749,904	-0.4%
	Jan 2022				
	Feb 2022				
	Mar 2022				
	Apr 2022				
	May 2022				
	June 2022				

Arizona Sales Tax - Utilities

General Fund Collections

		Year-to-Year %		Year-to-Date	
		Collections (\$)	Change	Collections (\$)	Change
FY 2018	July 2017	40,220,498	-0.9%	40,220,498	-0.9%
	Aug 2017	54,019,726	7.0%	94,240,225	3.5%
	Sep 2017	48,951,872	-4.5%	143,192,097	0.6%
	Oct 2017	47,131,080	4.4%	190,323,176	1.5%
	Nov 2017	39,890,984	8.0%	230,214,161	2.6%
	Dec 2017	30,634,937	-1.0%	260,849,097	2.2%
	Jan 2018	29,341,010	1.1%	290,190,107	2.1%
	Feb 2018	33,438,080	6.4%	323,628,187	2.5%
	Mar 2018	29,918,394	5.1%	353,546,581	2.7%
	Apr 2018	30,126,222	7.9%	383,672,804	3.1%
	May 2018	29,777,970	6.0%	413,450,774	3.3%
	June 2018	35,825,053	11.0%	449,275,827	3.9%
FY 2019	July 2018	41,078,965	2.1%	41,078,965	2.1%
	Aug 2018	51,785,222	-4.1%	92,864,186	-1.5%
	Sep 2018	52,130,044	6.5%	144,994,230	1.3%
	Oct 2018	45,397,828	-3.7%	190,392,059	0.0%
	Nov 2018	39,423,823	-1.2%	229,815,882	-0.2%
	Dec 2018	29,793,218	-2.7%	259,609,099	-0.5%
	Jan 2019	30,654,435	4.5%	290,263,535	0.0%
	Feb 2019	34,918,864	4.4%	325,182,398	0.5%
	Mar 2019	31,586,609	5.6%	356,769,007	0.9%
	Apr 2019	29,724,183	-1.3%	386,493,190	0.7%
	May 2019	28,897,465	-3.0%	415,390,655	0.5%
	June 2019	32,846,398	-8.3%	448,237,053	-0.2%
FY 2020	July 2019	36,659,315	-10.8%	36,659,315	-10.8%
	Aug 2019	49,038,211	-5.3%	85,697,526	-7.7%
	Sep 2019	51,711,308	-0.8%	137,408,835	-5.2%
	Oct 2019	48,413,036	6.6%	185,821,870	-2.4%
	Nov 2019	37,486,359	-4.9%	223,308,229	-2.8%
	Dec 2019	23,301,623	-21.8%	246,609,852	-5.0%
	Jan 2020	26,842,938	-12.4%	273,452,790	-5.8%
	Feb 2020	34,230,436	-2.0%	307,683,226	-5.4%
	Mar 2020	29,030,736	-8.1%	336,713,962	-5.6%
	Apr 2020	28,471,573	-4.2%	365,185,535	-5.5%
	May 2020	26,497,521	-8.3%	391,683,056	-5.7%
	June 2020	34,838,601	6.1%	426,521,657	-4.8%
FY 2021	July 2020	39,448,529	7.6%	39,448,529	7.6%
	Aug 2020	51,924,110	5.9%	91,372,638	6.6%
	Sep 2020	55,164,846	6.7%	146,537,484	6.6%
	Oct 2020	51,322,090	6.0%	197,859,574	6.5%
	Nov 2020	42,457,722	13.3%	240,317,296	7.6%
	Dec 2020	32,213,195	38.2%	272,530,491	10.5%
	Jan 2021	31,597,819	17.7%	304,128,310	11.2%
	Feb 2021	34,478,804	0.7%	338,607,113	10.1%
	Mar 2021	32,133,928	10.7%	370,741,042	10.1%
	Apr 2021	30,945,050	8.7%	401,686,091	10.0%
	May 2021	32,220,326	21.6%	433,906,417	10.8%
	June 2021	33,975,275	-2.5%	467,881,692	9.7%
FY 2022	July 2021	47,974,619	21.6%	47,974,619	21.6%
	Aug 2021	54,290,364	4.6%	102,264,982	11.9%
	Sep 2021	51,953,431	-5.8%	154,218,413	5.2%
	Oct 2021	48,053,673	-6.4%	202,272,086	2.2%
	Nov 2021	37,785,102	-11.0%	240,057,188	-0.1%
	Dec 2021	35,510,817	10.2%	275,568,006	1.1%
	Jan 2022				
	Feb 2022				
	Mar 2022				
	Apr 2022				
	May 2022				
	June 2022				

Arizona Sales Tax - Restaurants and Bars

General Fund Collections

		Year-to-Year %		Year-to-Date	
		Collections (\$)	Change	Collections (\$)	Change
FY 2018	July 2017	39,947,222	5.6%	39,947,222	5.6%
	Aug 2017	37,853,693	-0.4%	77,800,915	2.6%
	Sep 2017	38,447,779	4.3%	116,248,693	3.2%
	Oct 2017	42,177,309	10.9%	158,426,003	5.1%
	Nov 2017	43,402,376	6.2%	201,828,379	5.3%
	Dec 2017	41,369,720	6.1%	243,198,099	5.5%
	Jan 2018	47,551,887	10.6%	290,749,986	6.3%
	Feb 2018	43,656,971	4.3%	334,406,957	6.0%
	Mar 2018	47,034,314	7.6%	381,441,271	6.2%
	Apr 2018	53,014,702	7.2%	434,455,972	6.3%
	May 2018	48,989,618	3.3%	483,445,590	6.0%
	June 2018	45,950,547	2.7%	529,396,137	5.7%
FY 2019	July 2018	43,200,005	8.1%	43,200,005	8.1%
	Aug 2018	41,011,071	8.3%	84,211,076	8.2%
	Sep 2018	40,747,922	6.0%	124,958,998	7.5%
	Oct 2018	44,016,961	4.4%	168,975,959	6.7%
	Nov 2018	45,529,388	4.9%	214,505,346	6.3%
	Dec 2018	45,197,278	9.3%	259,702,624	6.8%
	Jan 2019	47,547,380	0.0%	307,250,003	5.7%
	Feb 2019	47,954,092	9.8%	355,204,096	6.2%
	Mar 2019	47,955,894	2.0%	403,159,990	5.7%
	Apr 2019	57,883,518	9.2%	461,043,507	6.1%
	May 2019	50,901,617	3.9%	511,945,125	5.9%
	June 2019	50,117,983	9.1%	562,063,107	6.2%
FY 2020	July 2019	46,012,175	6.5%	46,012,175	6.5%
	Aug 2019	43,710,684	6.6%	89,722,859	6.5%
	Sep 2019	45,009,825	10.5%	134,732,684	7.8%
	Oct 2019	46,200,843	5.0%	180,933,527	7.1%
	Nov 2019	48,456,937	6.4%	229,390,465	6.9%
	Dec 2019	50,004,874	10.6%	279,395,339	7.6%
	Jan 2020	51,824,094	9.0%	331,219,433	7.8%
	Feb 2020	50,023,328	4.3%	381,242,761	7.3%
	Mar 2020	45,155,773	-5.8%	426,398,534	5.8%
	Apr 2020	38,366,785	-33.7%	464,765,318	0.8%
	May 2020	29,828,564	-41.4%	494,593,882	-3.4%
	June 2020	39,382,889	-21.4%	533,976,771	-5.0%
FY 2021	July 2020	40,907,119	-11.1%	40,907,119	-11.1%
	Aug 2020	37,442,715	-14.3%	78,349,834	-12.7%
	Sep 2020	39,944,179	-11.3%	118,294,013	-12.2%
	Oct 2020	42,270,457	-8.5%	160,564,470	-11.3%
	Nov 2020	44,147,506	-8.9%	204,711,976	-10.8%
	Dec 2020	43,880,675	-12.2%	248,592,651	-11.0%
	Jan 2021	44,683,249	-13.8%	293,275,900	-11.5%
	Feb 2021	44,540,805	-11.0%	337,816,705	-11.4%
	Mar 2021	48,688,030	7.8%	386,504,735	-9.4%
	Apr 2021	59,496,182	55.1%	446,000,916	-4.0%
	May 2021	56,725,663	90.2%	502,726,579	1.6%
	June 2021	59,924,589	52.2%	562,651,168	5.4%
FY 2022	July 2021	53,943,601	31.9%	53,943,601	31.9%
	Aug 2021	53,915,215	44.0%	107,858,817	37.7%
	Sep 2021	52,010,680	30.2%	159,869,497	35.1%
	Oct 2021	54,903,661	29.9%	214,773,158	33.8%
	Nov 2021	60,795,598	37.7%	275,568,756	34.6%
	Dec 2021	57,213,946	30.4%	332,782,702	33.9%
	Jan 2022				
	Feb 2022				
	Mar 2022				
	Apr 2022				
	May 2022				
	June 2022				

Arizona Use Tax

General Fund Collections

		Year-to-Year %		Year-to-Date	
		Collections (\$)	Change	Collections (\$)	Change
FY 2018	July 2017	27,670,923	6.8%	27,670,923	6.8%
	Aug 2017	24,308,694	18.0%	51,979,618	11.8%
	Sep 2017	27,797,629	22.2%	79,777,247	15.2%
	Oct 2017	28,006,834	-5.7%	107,784,080	9.0%
	Nov 2017	25,261,576	0.5%	133,045,656	7.2%
	Dec 2017	29,261,181	24.5%	162,306,836	10.0%
	Jan 2018	32,387,233	6.5%	194,694,069	9.4%
	Feb 2018	26,378,049	6.2%	221,072,118	9.0%
	Mar 2018	26,448,279	9.7%	247,520,397	9.1%
	Apr 2018	28,930,734	13.2%	276,451,131	9.5%
	May 2018	25,879,813	6.8%	302,330,944	9.3%
	June 2018	24,870,027	2.7%	327,200,971	8.7%
FY 2019	July 2018	24,548,308	-11.3%	24,548,308	-11.3%
	Aug 2018	28,065,802	15.5%	52,614,110	1.2%
	Sep 2018	32,039,914	15.3%	84,654,024	6.1%
	Oct 2018	29,372,401	4.9%	114,026,425	5.8%
	Nov 2018	31,698,330	25.5%	145,724,754	9.5%
	Dec 2018	29,443,336	0.6%	175,168,090	7.9%
	Jan 2019	36,533,737	12.8%	211,701,827	8.7%
	Feb 2019	30,532,593	15.8%	242,234,420	9.6%
	Mar 2019	27,391,890	3.6%	269,626,310	8.9%
	Apr 2019	36,181,633	25.1%	305,807,944	10.6%
	May 2019	26,091,598	0.8%	331,899,542	9.8%
	June 2019	30,127,203	21.1%	362,026,745	10.6%
FY 2020	July 2019	32,247,364	31.4%	32,247,364	31.4%
	Aug 2019	31,666,706	12.8%	63,914,070	21.5%
	Sep 2019	30,812,578	-3.8%	94,726,649	11.9%
	Oct 2019	35,078,969	19.4%	129,805,618	13.8%
	Nov 2019	30,788,839	-2.9%	160,594,457	10.2%
	Dec 2019	23,638,081	-19.7%	184,232,538	5.2%
	Jan 2020	40,950,483	12.1%	225,183,021	6.4%
	Feb 2020	32,987,125	8.0%	258,170,146	6.6%
	Mar 2020	29,721,256	8.5%	287,891,402	6.8%
	Apr 2020	35,658,140	-1.4%	323,549,542	5.8%
	May 2020	28,299,778	8.5%	351,849,320	6.0%
	June 2020	32,414,184	7.6%	384,263,505	6.1%
FY 2021	July 2020	35,409,973	9.8%	35,409,973	9.8%
	Aug 2020	33,435,909	5.6%	68,845,882	7.7%
	Sep 2020	35,448,520	15.0%	104,294,402	10.1%
	Oct 2020	40,023,909	14.1%	144,318,311	11.2%
	Nov 2020	35,797,331	16.3%	180,115,642	12.2%
	Dec 2020	38,800,162	64.1%	218,915,803	18.8%
	Jan 2021	49,405,507	20.6%	268,321,311	19.2%
	Feb 2021	38,613,306	17.1%	306,934,617	18.9%
	Mar 2021	29,825,679	0.4%	336,760,295	17.0%
	Apr 2021	44,034,605	23.5%	380,794,900	17.7%
	May 2021	37,687,218	33.2%	418,482,118	18.9%
	June 2021	31,283,425	-3.5%	449,765,543	17.0%
FY 2022	July 2021	38,544,284	8.9%	38,544,284	8.9%
	Aug 2021	38,550,390	15.3%	77,094,674	12.0%
	Sep 2021	42,273,217	19.3%	119,367,892	14.5%
	Oct 2021	45,567,346	13.9%	164,935,237	14.3%
	Nov 2021	37,887,460	5.8%	202,822,697	12.6%
	Dec 2021	42,607,622	9.8%	245,430,319	12.1%
	Jan 2022				
	Feb 2022				
	Mar 2022				
	Apr 2022				
	May 2022				
	June 2022				

Individual Income Tax

Arizona Individual Income Tax
General Fund Collections

		Year-to-Date				Year-to-Date				Year-to-Date				Year-to-Date			
		Total	Y/Y Chg.	Total	YTD Chg.	Withholding	Y/Y Chg.	Withholding	YTD Chg.	Payments	Y/Y Chg.	Payments	YTD Chg.	Refunds	Y/Y Chg.	Refunds	YTD Chg.
FY 2018	Jul-17	367,404,256	19.1%	367,404,256	19.1%	360,508,823	18.1%	360,508,823	18.1%	22,390,542	8.1%	22,390,542	8.1%	(15,495,109)	-11.6%	(15,495,109)	-11.6%
	Aug	334,741,567	-5.7%	702,145,823	5.8%	330,301,901	-5.7%	690,810,724	5.4%	21,181,908	-8.5%	43,572,450	-0.6%	(16,742,243)	-9.8%	(32,237,352)	-10.7%
	Sep	428,215,100	4.7%	1,130,360,923	5.4%	313,046,438	5.2%	1,003,857,162	5.3%	132,809,433	6.2%	176,381,883	4.4%	(17,640,771)	30.9%	(49,878,122)	0.6%
	Oct	367,613,957	0.9%	1,497,974,880	4.3%	372,489,974	8.4%	1,376,347,136	6.1%	76,057,356	28.1%	252,439,239	10.6%	(80,933,372)	108.7%	(130,811,495)	48.1%
	Nov	315,576,388	0.0%	1,813,551,268	3.5%	331,096,487	3.6%	1,707,443,624	5.6%	20,437,018	-49.4%	272,876,257	1.6%	(35,957,118)	-19.4%	(166,768,613)	25.4%
	Dec	574,038,633	39.4%	2,387,589,901	10.3%	359,585,688	4.6%	2,067,029,312	5.4%	217,652,109	116.5%	490,528,366	32.8%	(3,199,164)	-90.2%	(169,967,776)	2.7%
	Jan-18	632,238,007	14.3%	3,019,827,909	11.1%	426,870,373	10.1%	2,493,899,685	6.2%	215,884,116	22.5%	706,412,482	29.5%	(10,516,482)	-1.9%	(180,484,259)	2.4%
	Feb	48,027,987	-27.7%	3,067,855,895	10.2%	353,296,738	9.5%	2,847,196,423	6.6%	25,047,178	18.1%	731,459,659	29.1%	(330,315,929)	19.1%	(510,800,188)	12.6%
	Mar	123,022,855	16.3%	3,190,878,750	10.4%	388,247,240	2.5%	3,235,443,664	6.1%	77,088,493	11.8%	808,548,153	27.2%	(342,312,878)	0.1%	(853,113,066)	7.2%
	Apr	583,253,716	7.2%	3,774,132,466	9.9%	386,705,825	21.0%	3,622,149,488	7.5%	583,884,240	-1.6%	1,392,432,393	13.3%	(387,336,349)	4.9%	(1,240,449,415)	6.5%
	May	349,412,717	18.5%	4,123,545,183	10.6%	345,431,058	-4.9%	3,967,580,546	6.3%	84,927,394	120.0%	1,477,359,787	16.5%	(80,945,735)	-24.3%	(1,321,395,150)	3.9%
	Jun	420,453,224	4.5%	4,543,998,407	10.0%	321,901,673	-0.1%	4,289,482,219	5.8%	136,910,988	12.3%	1,614,270,775	16.2%	(38,359,437)	-8.6%	(1,359,754,587)	3.5%
FY 2019	Jul-18	396,059,814	7.8%	396,059,814	7.8%	388,592,967	7.8%	388,592,967	7.8%	26,981,619	20.5%	26,981,619	20.5%	(19,514,772)	25.9%	(19,514,772)	25.9%
	Aug	366,290,813	9.4%	762,350,627	8.6%	358,560,458	8.6%	747,153,426	8.2%	24,480,021	15.6%	51,461,639	18.1%	(16,749,666)	0.0%	(36,264,438)	12.5%
	Sep	478,168,599	11.7%	1,240,519,226	9.7%	345,394,066	10.3%	1,092,547,491	8.8%	151,832,056	14.3%	203,293,696	15.3%	(19,057,523)	8.0%	(55,321,961)	10.9%
	Oct	383,971,237	4.4%	1,624,490,463	8.4%	385,257,672	3.4%	1,477,805,163	7.4%	92,048,841	21.0%	295,342,537	17.0%	(93,335,276)	15.3%	(148,657,237)	13.6%
	Nov	334,411,214	6.0%	1,958,901,677	8.0%	343,815,944	3.8%	1,821,621,107	6.7%	22,097,652	8.1%	317,440,189	16.3%	(31,502,382)	-12.4%	(180,159,619)	8.0%
	Dec	441,919,417	-23.0%	2,400,821,095	0.6%	401,803,216	11.7%	2,223,424,323	7.6%	50,914,905	-76.6%	368,355,095	-24.9%	(10,798,704)	237.5%	(190,958,323)	12.3%
	Jan-19	581,716,207	-8.0%	2,982,537,301	-1.2%	427,230,591	0.1%	2,650,654,914	6.3%	162,226,235	-24.9%	530,581,330	-24.9%	(7,740,619)	-26.4%	(198,698,942)	10.1%
	Feb	48,732,731	1.5%	3,031,270,032	-1.2%	359,299,689	1.7%	3,009,954,603	5.7%	37,039,460	47.9%	567,620,789	-22.4%	(347,606,418)	5.2%	(546,305,360)	7.0%
	Mar	170,920,532	38.9%	3,202,190,564	0.4%	405,858,513	4.5%	3,415,813,116	5.6%	82,740,855	7.3%	650,361,644	-19.6%	(317,678,836)	-7.2%	(863,984,196)	1.3%
	Apr	658,217,806	12.9%	3,860,408,370	2.3%	424,054,003	9.7%	3,839,867,119	6.0%	603,007,793	3.3%	1,253,369,437	-10.0%	(368,843,990)	-4.8%	(1,232,828,186)	-0.6%
	May	684,007,277	95.8%	4,544,415,647	10.2%	369,595,968	7.0%	4,209,463,087	6.1%	386,614,492	355.2%	1,639,983,929	11.0%	(72,203,183)	-10.8%	(1,305,031,369)	-1.2%
	Jun	464,605,987	10.5%	5,009,021,634	10.2%	347,559,585	8.0%	4,557,022,672	6.2%	153,939,074	12.4%	1,793,923,003	11.1%	(36,892,672)	-3.8%	(1,341,924,041)	-1.3%
FY 2020	Jul-19	446,177,592	12.7%	446,177,592	12.7%	430,918,613	10.9%	430,918,613	10.9%	34,741,911	28.8%	34,741,911	28.8%	(19,482,932)	-0.2%	(19,482,932)	-0.2%
	Aug	388,988,906	6.2%	835,166,498	9.6%	373,461,889	4.2%	804,380,502	7.7%	32,807,792	34.0%	67,549,702	31.3%	(17,280,775)	3.2%	(36,763,707)	1.4%
	Sep	525,626,609	9.9%	1,360,793,107	9.7%	365,578,566	5.8%	1,169,959,069	7.1%	179,468,334	18.2%	247,018,036	21.5%	(19,420,291)	1.9%	(56,183,998)	1.6%
	Oct	442,761,464	15.3%	1,803,554,570	11.0%	423,030,231	9.8%	1,592,989,299	7.8%	114,011,838	23.9%	361,029,874	22.2%	(94,280,605)	1.0%	(150,464,603)	1.2%
	Nov	380,667,306	13.8%	2,184,221,877	11.5%	379,267,511	10.3%	1,972,256,810	8.3%	31,148,534	41.0%	392,178,408	23.5%	(29,748,738)	-5.6%	(180,213,341)	0.0%
	Dec	465,944,068	5.4%	2,650,165,944	10.4%	427,207,203	6.3%	2,399,464,012	7.9%	52,205,465	2.5%	444,383,873	20.6%	(13,468,600)	24.7%	(193,681,941)	1.4%
	Jan-20	651,356,601	12.0%	3,301,522,545	10.7%	480,456,016	12.5%	2,879,920,028	8.6%	175,969,105	8.5%	620,352,977	16.9%	(5,068,519)	-34.5%	(198,750,460)	0.0%
	Feb	(16,502,123)	N/A	3,285,020,422	8.4%	388,030,922	8.0%	3,267,950,950	8.6%	29,471,121	-20.4%	649,824,098	14.5%	(434,004,166)	24.9%	(632,754,626)	15.8%
	Mar	106,576,741	-37.6%	3,391,597,163	5.9%	448,341,903	10.5%	3,716,292,853	8.8%	71,345,057	-13.8%	721,169,155	10.9%	(413,110,219)	30.0%	(1,045,864,845)	21.1%
	Apr	333,923,441	-49.3%	3,725,520,605	-3.5%	411,042,743	-3.1%	4,127,335,596	7.5%	180,832,397	-70.0%	902,001,553	-28.0%	(257,951,699)	-30.1%	(1,303,816,544)	5.8%
	May	312,455,235	-54.3%	4,037,975,840	-11.1%	356,648,940	-3.5%	4,483,984,536	6.5%	52,177,864	-86.5%	954,179,417	-41.8%	(96,371,569)	33.5%	(1,400,188,113)	7.3%
	Jun	492,434,368	6.0%	4,530,410,208	-9.6%	400,025,682	15.1%	4,884,010,218	7.2%	163,301,165	6.1%	1,117,480,582	-37.7%	(70,892,479)	92.2%	(1,471,080,592)	9.6%
FY 2021	Jul-20	1,006,099,122	125.5%	1,006,099,122	125.5%	437,561,106	1.5%	437,561,106	1.5%	729,202,947	1998.9%	729,202,947	1998.9%	(160,664,931)	724.6%	(160,664,931)	724.6%
	Aug	393,647,609	1.2%	1,399,746,731	67.6%	388,221,708	4.0%	825,782,815	2.7%	42,993,691	31.0%	772,196,638	1043.2%	(37,567,790)	117.4%	(198,232,721)	439.2%
	Sep	526,805,326	0.2%	1,926,552,057	41.6%	373,511,493	2.2%	1,199,294,307	2.5%	173,028,298	-3.6%	945,224,936	282.7%	(19,734,465)	1.6%	(217,967,187)	288.0%
	Oct	436,598,293	-1.4%	2,363,150,350	31.0%	402,587,396	-4.8%	1,601,881,704	0.6%	119,988,347	5.2%	1,065,213,283	195.0%	(85,977,450)	-8.8%	(303,944,636)	102.0%
	Nov	467,871,483	22.9%	2,831,021,833	29.6%	456,569,075	20.4%	2,058,450,778	4.4%	34,813,471	11.8%	1,100,026,754	180.5%	(23,511,062)	-21.0%	(327,455,699)	81.7%
	Dec	527,323,634	13.2%	3,358,345,468	26.7%	475,274,347	11.3%	2,533,725,125	5.6%	59,844,230	14.6%	1,159,870,983	161.0%	(7,794,942)	-42.1%	(335,250,641)	73.1%
	Jan-21	680,994,298	4.6%	4,039,339,766	22.3%	442,013,801	-8.0%	2,975,738,926	3.3%	240,523,484	36.7%	1,400,394,468	125.7%	(1,542,987)	-69.6%	(336,793,628)	69.5%
	Feb	361,961,015	N/A	4,401,300,781	34.0%	456,060,535	17.5%	3,431,799,461	5.0%	46,639,376	58.3%	1,447,033,844	122.7%	(140,738,896)	-67.6%	(477,532,524)	-24.5%
	Mar	23,920,430	-77.6%	4,425,221,211	30.5%	517,507,305	15.4%	3,949,306,766	6.3%	76,719,239	7.5%	1,523,753,083	111.3%	(570,306,114)	38.1%	(1,047,838,638)	0.2%
	Apr	545,265,305	63.3%	4,970,486,516	33.4%	472,467,178	14.9%	4,421,773,944	7.1%	385,639,582	113.3%	1,909,392,665	111.7%	(312,841,455)	21.3%	(1,360,680,093)	4.4%
	May	812,692,108	160.1%	5,783,178,624	43.2%	393,000,021	10.2%	4,814,773,965	7.4%	719,317,439	1278.6%	2,					

Arizona Individual Income Tax - Estimated and Final Payments

		Year-to-Date Total				Year-to-Date							
		Total Payments	Y/Y Chg.	Payments	YTD Chg.	Estimated	Y/Y Chg.	Estimated	YTD Chg.	Final	Y/Y Chg.	Year-to-Date Final	YTD Chg.
FY 2018	Jul-17	22,390,542	8.1%	22,390,542	8.1%	7,098,992	12.4%	7,098,992	12.4%	15,291,550	6.2%	15,291,550	6.2%
	Aug	21,181,908	-8.5%	43,572,450	-0.6%	8,068,854	0.3%	15,167,846	5.6%	13,113,055	-13.1%	28,404,605	-3.7%
	Sep	132,809,433	6.2%	176,381,883	4.4%	117,062,473	4.8%	132,230,319	4.9%	15,746,960	17.6%	44,151,564	3.0%
	Oct	76,057,356	28.1%	252,439,239	10.6%	10,816,836	23.9%	143,047,155	6.1%	65,240,519	28.8%	109,392,084	17.0%
	Nov	20,437,018	-49.4%	272,876,257	1.6%	6,061,645	-31.1%	149,108,800	3.9%	14,375,373	-54.5%	123,767,457	-1.1%
	Dec	217,652,109	116.5%	490,528,366	32.8%	208,538,039	131.4%	357,646,839	53.0%	9,114,070	-12.5%	132,881,527	-2.0%
	Jan-18	215,884,116	22.5%	706,412,482	29.5%	205,661,662	24.9%	563,308,501	41.4%	10,222,454	-11.8%	143,103,981	-2.7%
	Feb	25,047,178	18.1%	731,459,659	29.1%	4,038,758	16.7%	567,347,259	41.2%	21,008,420	18.3%	164,112,401	-0.5%
	Mar	77,088,493	11.8%	808,548,153	27.2%	8,053,151	42.0%	575,400,410	41.2%	69,035,342	9.1%	233,147,743	2.2%
	Apr	583,884,240	-1.6%	1,392,432,393	13.3%	78,243,878	8.4%	653,644,288	36.3%	505,640,363	-3.0%	738,788,106	-1.4%
FY 2019	May	84,927,394	120.0%	1,477,359,787	16.5%	10,967,702	64.1%	664,611,989	36.7%	73,959,692	131.6%	812,747,798	4.0%
	Jun	136,091,641	11.6%	1,613,451,428	16.1%	116,101,968	11.9%	780,713,958	32.3%	19,989,673	10.0%	832,737,471	4.1%
	Jul-18	26,981,619	20.5%	26,981,619	20.5%	8,070,766	13.7%	8,070,766	13.7%	18,910,852	23.7%	18,910,852	23.7%
	Aug	24,480,021	15.6%	51,461,639	18.1%	10,939,626	35.6%	19,010,393	25.3%	13,540,395	3.3%	32,451,247	14.2%
	Sep	151,832,056	14.3%	203,293,696	15.3%	134,536,304	14.9%	153,546,696	16.1%	17,295,753	9.8%	49,747,000	12.7%
	Oct	92,048,841	21.0%	295,342,537	17.0%	12,838,925	18.7%	166,385,621	16.3%	79,209,916	21.4%	128,956,916	17.9%
	Nov	22,097,652	8.1%	317,440,189	16.3%	6,281,356	3.6%	172,666,977	15.8%	15,816,296	10.0%	144,773,212	17.0%
	Dec	50,914,905	-76.6%	368,355,095	-24.9%	32,493,528	-84.4%	205,160,505	-42.6%	18,421,377	102.1%	163,194,590	22.8%
	Jan-19	162,226,235	-24.9%	530,581,330	-24.9%	140,278,776	-31.8%	345,439,281	-38.7%	21,947,459	114.7%	185,142,049	29.4%
	Feb	37,039,460	47.9%	567,620,789	-22.4%	5,424,368	34.3%	350,863,649	-38.2%	31,615,092	50.5%	216,757,141	32.1%
FY 2020	Mar	82,740,855	7.3%	650,361,644	-19.6%	7,488,543	-7.0%	358,352,192	-37.7%	75,252,312	9.0%	292,009,453	25.2%
	Apr	603,007,793	3.3%	1,253,369,437	-10.0%	58,562,550	-25.2%	416,914,742	-36.2%	544,445,243	7.7%	836,454,695	13.2%
	May	386,614,492	355.2%	1,639,983,929	11.0%	36,498,359	232.8%	453,413,101	-31.8%	350,116,132	373.4%	1,186,570,828	46.0%
	Jun	153,939,074	13.1%	1,793,923,003	11.2%	131,576,538	13.3%	584,989,639	-25.1%	22,362,536	11.9%	1,208,933,363	45.2%
	Jul-19	34,741,911	28.8%	34,741,911	28.8%	10,388,748	28.7%	10,388,748	28.7%	24,353,162	28.8%	24,353,162	28.8%
	Aug	32,807,792	34.0%	67,549,702	31.3%	11,816,737	8.0%	22,205,485	16.8%	20,991,055	55.0%	45,344,217	39.7%
	Sep	179,468,334	18.2%	247,018,036	21.5%	152,388,114	13.3%	174,593,599	13.7%	27,080,220	56.6%	72,424,437	45.6%
	Oct	114,011,838	23.9%	361,029,874	22.2%	16,986,917	32.3%	191,580,516	15.1%	97,024,921	22.5%	169,449,358	31.4%
	Nov	31,148,534	41.0%	392,178,408	23.5%	9,577,941	52.5%	201,158,456	16.5%	21,570,593	36.4%	191,019,951	31.9%
	Dec	52,205,465	2.5%	444,383,873	20.6%	35,091,541	8.0%	236,249,997	15.2%	17,113,924	-7.1%	208,133,875	27.5%
FY 2021	Jan-20	175,969,105	8.5%	620,352,977	16.9%	163,782,549	16.8%	400,032,546	15.8%	12,186,556	-44.5%	220,320,431	19.0%
	Feb	29,471,121	-20.4%	649,824,098	14.5%	5,613,870	3.5%	405,646,416	15.6%	23,857,251	-24.5%	244,177,682	12.7%
	Mar	71,345,057	-13.8%	721,169,155	10.9%	8,224,242	9.8%	413,870,658	15.5%	63,120,815	-16.1%	307,298,497	5.2%
	Apr	180,832,397	-70.0%	902,001,553	-28.0%	68,165,869	16.4%	482,036,527	15.6%	112,666,529	-79.3%	419,965,026	-49.8%
	May	52,177,864	-86.5%	954,179,417	-41.8%	12,150,302	-66.7%	494,186,829	9.0%	40,027,563	-88.6%	459,992,589	-61.2%
	Jun	163,301,165	6.1%	1,117,480,582	-37.7%	91,413,281	-30.5%	585,600,109	0.1%	71,887,884	221.5%	531,880,473	-56.0%
	Jul-20	729,202,947	1998.9%	729,202,947	1998.9%	72,570,967	598.6%	72,570,967	598.6%	656,631,980	2596.3%	656,631,980	2596.3%
	Aug	42,993,691	31.0%	772,196,638	1043.2%	15,384,654	30.2%	87,955,621	296.1%	27,609,037	31.5%	684,241,017	1409.0%
	Sep	173,028,298	-3.6%	945,224,936	282.7%	152,899,093	0.3%	240,854,714	38.0%	20,129,205	-25.7%	704,370,222	872.6%
	Oct	119,988,347	5.2%	1,065,213,283	195.0%	17,727,245	4.4%	258,581,959	35.0%	102,261,102	5.4%	806,631,324	376.0%
FY 2022	Nov	34,813,471	11.8%	1,100,026,754	180.5%	11,086,743	15.8%	269,668,702	34.1%	23,726,727	10.0%	830,358,051	334.7%
	Dec	59,844,230	14.6%	1,159,870,983	161.0%	40,131,622	14.4%	309,800,324	31.1%	19,712,608	15.2%	850,070,659	308.4%
	Jan-21	240,523,484	36.7%	1,400,394,468	125.7%	224,767,132	37.2%	534,567,456	33.6%	15,756,352	29.3%	865,827,012	293.0%
	Feb	46,639,376	58.3%	1,447,033,844	122.7%	16,402,252	192.2%	550,969,708	35.8%	30,237,125	26.7%	896,064,136	267.0%
	Mar	76,719,239	7.5%	1,523,753,083	111.3%	10,984,896	33.6%	561,954,604	35.8%	65,734,343	4.1%	961,798,479	213.0%
	Apr	385,639,582	113.3%	1,909,392,665	111.7%	115,244,344	69.1%	677,198,948	40.5%	270,395,238	140.0%	1,232,193,717	193.4%
	May	719,317,439	1278.6%	2,628,710,104	175.5%	56,466,308	364.7%	733,665,256	48.5%	662,851,130	1556.0%	1,895,044,847	312.0%
	Jun	361,236,695	121.2%	2,989,946,798	167.6%	132,839,227	45.3%	866,504,484	48.0%	228,397,467	217.7%	2,123,442,315	299.2%
	Jul-21	119,543,821	-83.6%	119,543,821	-83.6%	70,163,547	-3.3%	70,163,547	-3.3%	49,380,274	-92.5%	49,380,274	-92.5%
	Aug	34,454,272	-19.9%	153,998,093	-80.1%	16,700,964	8.6%	86,864,511	-1.2%	17,753,308	-35.7%	67,133,583	-90.2%
FY 2022	Sep	223,100,534	28.9%	377,098,627	-60.1%	186,462,673	22.0%	273,327,183	13.5%	36,637,861	82.0%	103,771,444	-85.3%
	Oct	169,068,037	40.9%	546,166,664	-48.7%	49,422,026	178.8%	322,749,209	24.8%	119,646,011	17.0%	223,417,455	-72.3%
	Nov	47,922,881	37.7%	594,089,545	-46.0%	15,634,106	41.0%	338,383,315	25.5%	32,288,774	36.1%	255,706,229	-69.2%
	Dec	64,427,982	7.7%	658,517,527	-43.2%	44,269,908	10.3%	382,653,224	23.5%	20,158,074	2.3%	275,864,303	-67.5%
	Jan-22												
	Feb												
	Mar												
	Apr												
	May												
	Jun												

Corporate Income Tax

Arizona Corporate Income Tax General Fund Collections

		Year-to-Date Gross				Year-to-Date				Year-to-Date Net			
		Gross Revenue	Y/Y Chg.	Revenue	YTD Chg.	Refunds	Y/Y Chg.	Refunds	YTD Chg.	Net Revenue	Y/Y Chg.	Revenue	YTD Chg.
FY 2018	July 2017	26,266,058	19.3%	26,266,058	19.3%	(2,427,219)	-87.7%	(2,427,219)	-87.7%	23,838,839	941.5%	23,838,839	941.5%
	Aug 2017	10,906,029	-29.8%	37,172,087	-1.1%	(18,031,119)	67.8%	(20,458,338)	-32.9%	(7,125,090)	N/A	16,713,749	135.8%
	Sep 2017	79,619,983	-10.9%	116,792,070	-8.0%	(15,042,747)	39.4%	(35,501,085)	-14.0%	64,577,236	-17.8%	81,290,985	-5.1%
	Oct 2017	20,755,460	-32.7%	137,547,530	-12.8%	(4,323,369)	2772.7%	(39,824,454)	-3.9%	16,432,091	-46.4%	97,723,076	-16.0%
	Nov 2017	13,403,599	-25.9%	150,951,129	-14.2%	(1,759,367)	-53.3%	(41,583,821)	-8.0%	11,644,232	-18.7%	109,367,308	-16.3%
	Dec 2017	67,957,843	-22.9%	218,908,972	-17.1%	(30,913,538)	31.3%	(72,497,359)	5.5%	37,044,305	-42.6%	146,411,613	-25.0%
	Jan 2018	28,967,432	8.9%	247,876,404	-14.7%	(20,832,624)	-54.0%	(93,329,983)	-18.2%	8,134,808	N/A	154,546,421	-12.4%
	Feb 2018	20,754,947	94.2%	268,631,351	-10.8%	(14,472,357)	11.0%	(107,802,340)	-15.2%	6,282,590	N/A	160,829,011	-7.7%
	Mar 2018	23,322,836	-34.4%	291,954,187	-13.3%	(1,301,978)	-91.8%	(109,104,318)	-23.7%	22,020,858	11.6%	182,849,869	-5.7%
	Apr 2018	79,202,648	-4.4%	371,156,835	-11.6%	(2,369,601)	-70.8%	(111,473,919)	-26.2%	76,833,047	2.8%	259,682,916	-3.3%
FY 2019	May 2018	32,033,888	1.0%	403,190,723	-10.7%	(2,176,517)	-41.8%	(113,650,436)	-26.6%	29,857,371	6.7%	289,540,287	-2.4%
	June 2018	89,768,840	22.1%	492,959,563	-6.1%	(6,237,021)	205.4%	(119,887,457)	-23.5%	83,531,819	16.8%	373,072,106	1.3%
	July 2018	34,230,356	30.3%	34,230,356	30.3%	(5,488,876)	126.1%	(5,488,876)	126.1%	28,741,480	20.6%	28,741,480	20.6%
	Aug 2018	20,224,018	85.4%	54,454,375	46.5%	(6,088,433)	-66.2%	(11,577,310)	-43.4%	14,135,585	N/A	42,877,065	156.5%
	Sep 2018	112,656,032	41.5%	167,110,407	43.1%	(7,885,794)	-47.6%	(19,463,104)	-45.2%	104,770,238	62.2%	147,647,303	81.6%
	Oct 2018	34,384,339	65.7%	201,494,745	46.5%	(6,038,347)	39.7%	(25,501,450)	-36.0%	28,345,992	72.5%	175,993,295	80.1%
	Nov 2018	16,689,469	24.5%	218,184,214	44.5%	(11,051,634)	528.2%	(36,553,084)	-12.1%	5,637,834	-51.6%	181,631,129	66.1%
	Dec 2018	95,961,365	41.2%	314,145,579	43.5%	(5,737,744)	-81.4%	(42,290,828)	-41.7%	90,223,622	143.6%	271,854,751	85.7%
	Jan 2019	34,831,424	20.2%	348,977,003	40.8%	(56,601,100)	171.7%	(98,981,928)	6.0%	(21,769,676)	N/A	250,085,075	61.8%
	Feb 2019	11,876,507	-42.8%	360,853,510	34.3%	(18,575,077)	28.3%	(117,467,005)	9.0%	(6,698,570)	N/A	243,386,505	51.3%
FY 2020	Mar 2019	37,278,994	59.8%	398,132,504	36.4%	(9,031,966)	593.7%	(126,498,971)	15.9%	28,247,028	28.3%	271,633,533	48.6%
	Apr 2019	101,927,588	28.7%	500,060,092	34.7%	(4,058,919)	71.3%	(130,557,890)	17.1%	97,868,668	27.4%	369,502,201	42.3%
	May 2019	45,394,845	41.7%	545,454,936	35.3%	(3,634,231)	67.0%	(134,192,121)	18.1%	41,760,614	39.9%	411,262,815	42.0%
	June 2019	104,392,743	16.3%	649,847,679	31.8%	(1,391,469)	-77.7%	(135,583,590)	13.1%	103,001,274	23.3%	514,264,089	37.8%
	July 2019	44,321,954	29.5%	44,321,954	29.5%	(9,031,871)	64.5%	(9,031,871)	64.5%	35,290,082	22.8%	35,290,082	22.8%
	Aug 2019	15,239,150	-24.6%	59,561,104	9.4%	(10,191,927)	67.4%	(19,223,798)	66.0%	5,047,223	-64.3%	40,337,305	-5.9%
	Sep 2019	124,589,643	10.6%	184,150,747	10.2%	(3,228,845)	-59.1%	(22,452,644)	15.4%	121,360,798	15.8%	161,698,104	9.5%
	Oct 2019	61,227,032	78.1%	245,377,779	21.8%	(1,140,517)	-81.1%	(23,593,160)	-7.5%	60,086,515	112.0%	221,784,619	26.0%
	Nov 2019	6,416,697	-61.6%	251,794,476	15.4%	(12,416,816)	12.4%	(36,009,976)	-1.5%	(6,000,118)	N/A	215,784,500	18.8%
	Dec 2019	131,259,034	36.8%	383,053,510	21.9%	(14,281,489)	148.9%	(50,291,465)	18.9%	116,977,545	29.7%	332,762,045	22.4%
FY 2021	Jan 2020	35,190,552	1.0%	418,244,062	19.8%	(17,414,883)	-69.2%	(67,706,348)	-31.5%	17,775,669	N/A	350,537,714	40.2%
	Feb 2020	12,768,293	7.5%	431,012,355	19.4%	(4,706,698)	-74.7%	(72,413,046)	-38.4%	8,061,595	N/A	358,599,309	47.3%
	Mar 2020	42,700,126	14.5%	473,712,481	19.0%	(15,636,027)	73.1%	(88,049,073)	-30.4%	27,064,099	-4.2%	385,663,408	42.0%
	Apr 2020	53,375,165	-47.6%	527,087,646	5.4%	(2,934,394)	-27.7%	(90,983,467)	-30.3%	50,440,771	-48.5%	436,104,179	18.0%
	May 2020	19,026,724	-58.1%	546,114,370	0.1%	(2,478,686)	-31.8%	(93,462,153)	-30.4%	16,548,038	-60.4%	452,652,216	10.1%
	June 2020	64,996,624	-37.7%	611,110,993	-6.0%	(5,766,989)	314.5%	(99,229,142)	-26.8%	59,229,635	-42.5%	511,881,851	-0.5%
	July 2020	86,598,947	95.4%	86,598,947	95.4%	(5,978,250)	-33.8%	(5,978,250)	-33.8%	80,620,697	128.5%	80,620,697	128.5%
	Aug 2020	25,417,321	66.8%	112,016,268	88.1%	(2,526,272)	-75.2%	(8,504,522)	-55.8%	22,891,049	353.5%	103,511,746	156.6%
	Sep 2020	114,587,653	-8.0%	226,603,921	23.1%	(8,330,173)	158.0%	(16,834,696)	-25.0%	106,257,480	-12.4%	209,769,225	29.7%
	Oct 2020	45,303,629	-26.0%	271,907,550	10.8%	(11,515,597)	909.7%	(28,350,292)	20.2%	33,788,032	-43.8%	243,557,257	9.8%
FY 2022	Nov 2020	23,750,826	270.1%	295,658,376	17.4%	(16,693,676)	34.4%	(45,043,968)	25.1%	7,057,150	N/A	250,614,408	16.1%
	Dec 2020	132,017,702	0.6%	427,676,078	11.6%	(30,722,519)	115.1%	(75,766,487)	50.7%	101,295,183	-13.4%	351,909,591	5.8%
	Jan 2021	44,790,938	27.3%	472,467,016	13.0%	(772,813)	-95.6%	(76,539,300)	13.0%	44,018,126	147.6%	395,927,716	12.9%
	Feb 2021	18,803,417	47.3%	491,270,433	14.0%	(1,491,030)	-68.3%	(78,030,330)	7.8%	17,312,387	114.8%	413,240,104	15.2%
	Mar 2021	48,743,590	14.2%	540,014,023	14.0%	(5,486,977)	-64.9%	(83,517,306)	-5.1%	43,256,613	59.8%	456,496,717	18.4%
	Apr 2021	187,350,805	251.0%	727,364,828	38.0%	(8,245,481)	181.0%	(91,762,787)	0.9%	179,105,324	255.1%	635,602,041	45.7%
	May 2021	59,010,101	210.1%	786,374,929	44.0%	(3,464,767)	39.8%	(95,227,554)	1.9%	55,545,334	235.7%	691,147,375	52.7%
	June 2021	158,051,228	143.2%	944,426,157	54.5%	(2,177,807)	-62.2%	(97,405,361)	-1.8%	155,873,421	163.2%	847,020,795	65.5%
	July 2021	60,468,954	-30.2%	60,468,954	-30.2%	(2,976,917)	-50.2%	(2,976,917)	-50.2%	57,492,037	-28.7%	57,492,037	-28.7%
	Aug 2021	24,050,544	-5.4%	84,519,498	-24.5%	(6,107,792)	141.8%	(9,084,709)	6.8%	17,942,752	-21.6%	75,434,789	-27.1%
FY 2022	Sep 2021	202,184,906	76.4%	286,704,404	26.5%	(18,526,269)	122.4%	(27,610,978)	64.0%	183,658,637	72.8%	259,093,426	23.5%
	Oct 2021	71,806,568	58.5%	358,510,971	31.9%	(2,772,892)	-75.9%	(30,383,870)	7.2%	69,033,676	104.3%	328,127,102	34.7%
	Nov 2021	26,268,880	10.6%	384,779,852	30.1%	(7,085,484)	-57.6%	(37,469,353)	-16.8%	19,183,396	171.8%	347,310,498	38.6%
	Dec 2021	214,967,398	62.8%	599,747,249	40.2%	(1,119,073)	-96.4%	(38,588,426)	-49.1%	213,848,325	111.1%	561,158,823	59.5%
	Jan 2022												
	Feb 2022												
	Mar 2022												
	Apr 2022												
	May 2022												
	June 2022												

Insurance Premium Tax

INSURANCE PREMIUM TAX

WHO PAYS

All authorized insurers are subject to the insurance premium tax. Additionally, the tax applies to health care service organizations, prepaid dental plan organizations, and prepaid legal insurance corporations. [A.R.S. § 20-206, A.R.S. § 20-224, A.R.S. § 20-401.05, A.R.S. § 20-416, A.R.S. § 20-837, A.R.S. § 20-1010, A.R.S. § 20-1060, A.R.S. § 20-1097.07].

DISTRIBUTION

Except for a portion of the tax on fire insurance premiums and an additional tax paid on vehicle insurance premiums, these tax revenues are deposited in the state's General Fund [A.R.S. § 20-227].

Eighty-five percent of the fire insurance premium tax is transferred to cities and towns and legally organized fire districts which procure the services of private fire companies and to cities and towns which have their own fire department or legally organized fire district. The proceeds are to be used to assist in funding pension plans for fire-fighting personnel. The other 15% is deposited into the state's General Fund [A.R.S. § 20-224, A.R.S. § 9-951, and A.R.S. § 9-952].

An additional tax of 0.4312% paid on insurance carried on vehicles is separately accounted for and transferred to the Public Safety Personnel Retirement System for deposit in the Highway Patrol Account to assist in funding the pension plan for highway patrol personnel [A.R.S. § 20-224.01].

REVENUE BASE

The tax applies to premiums paid for insurance covering liabilities that exist within the state. The tax is levied on the net premium income, which is defined as the total amount received from premiums after deducting cancellations, returned premiums, policy dividends, and refund reductions. The specific types of insurance that are taxed are described in the *Taxable Lines of Insurance* section.

TAX RATE

Pursuant to Laws 2016, Chapter 358, the insurance premium tax rate on life, vehicle, and other property and casualty lines of insurance is gradually reduced from 2.0% in calendar year (CY) 2015 to 1.7% in CY 2021. Under Chapter 358, the rate is 1.80% in CY 2019, 1.75% in CY 2020, and 1.70% in CY 2021 and each sequent year. Except for fire insurance and surplus line insurance, the tax rate for most other types of insurance is 2.0% of net premium income [A.R.S. § 20-224].

The tax rate for fire insurance is 0.66% for insurance on properties located in an incorporated city or town which procures the services of a private fire company. The rate on all other fire insurance is 2.2% [A.R.S. § 20-224].

The tax rate on premiums paid to brokers selling surplus line insurance and industrial insurance contracts procured from unauthorized insurers is 3% of the net premium income [A.R.S. § 20-401.07 and A.R.S. § 20-416].

PAYMENT SCHEDULE

Payment of the preceding calendar year's insurance premium tax liability is due on or before March 1 of each year. [A.R.S. § 20-224].

Any insurer that paid or is required to pay a tax of \$50,000 or more for the preceding calendar year is required to pay an "installment" payment of 15% of that amount on or before the 15th day of each month from March through August. Laws 2017, Chapter 153 increased the threshold of tax liability above which an insurer is required to make installment payments, from \$2,000 to \$50,000 in the preceding calendar year, beginning in calendar year 2018. Installment payments are credited against the insurance premium tax due on March 1 of the following year [A.R.S. § 20-224].

TAXABLE LINES OF INSURANCE

The table at the end of this section lists the Insurance Premium Tax revenue collections to the General Fund from FY 2015 to FY 2021, by line item. Each of the insurance lines in the table is described below.

AHCCCS Contractors: The Arizona Health Care Cost Containment System (AHCCCS) makes predetermined monthly capitation payments to managed care organizations that provide Medicaid health insurance to qualifying low-income individuals. The state and federal government share in the costs of the program. With some exceptions, the state's Medicaid program covers individuals with family incomes up to 133% of the federal poverty level.

Since FY 2004, capitation payments to AHCCCS contractors have been subject to Insurance Premium Tax. Both the state and federal portions of capitation payments are subject to the tax. Tax collections from this line were about 48% of Insurance Premium Tax General Fund revenues in FY 2021. The revenue growth of 23.7% in FY 2015 and 17.2% in FY 2016 in this line was largely driven by the expansion of eligible income levels for the program on January 1, 2014. Growth slowed in the period from FY 2017 through FY 2019 as Medicaid enrollment slowed. Revenue increased by 33.1% in FY 2021. This surge in collections was due to the large AHCCCS enrollment during calendar year 2020.

Accident and Health: Includes insurance policies for medical risks and accidental injury or death. Much of this line consists of personal and employer-sponsored health insurance plans. Federal law, though, exempts employer self-insured plans from state insurance premium tax. Collections from the line made up about 20% of Insurance Premium Tax General Fund revenues in FY 2021. Revenue growth in this line was 9.0% in FY 2021.

Vehicle: This line consists of insurance against damage to vehicles and accidental injury or death or damage to non-vehicle property caused while using a vehicle. According to the Department of Insurance and Financial Institutions, private passenger automobile insurance accounts for 90% of this line's premiums while insurance for commercial risks account for the remaining 10% of premiums. Revenue from this line of insurance declined by (3.0)% in FY 2021. Collections from this line made up 18% of Insurance Premium Tax General Fund revenues in FY 2021.

Other Property and Casualty: Consists of numerous types of property and casualty insurance that together were 11% of Insurance Premium Tax General Fund revenue in FY 2021. The largest sub-category of insurance in this line is homeowners' insurance, which makes up about one-third of the

line's taxable premiums. Some other major sub-categories of this line include property in transit, commercial multi-peril, and medical professional liability.

Life: Includes temporary or permanent policies that insure human life. Collections from this line made up about 7% of Insurance Premium Tax General Fund revenues in FY 2021.

Surplus Lines: Includes types of insurance that are not sufficiently offered by authorized insurers and therefore may be procured from an unauthorized out-of-state insurer. Collections from this line were 4% of Insurance Premium Tax General Fund revenues in FY 2021.

Fire: Includes insurance against damage or loss from fire, beyond the level of coverage from other forms of property insurance. Collections from this line were less than 1% of Insurance Premium Tax General Fund revenues in FY 2021.

Retaliatory Payments: Out-of-state insurers pay the greater of the Arizona insurance premium tax or the tax imposed by their home state on Arizona insurers. Retaliation applies to taxes, fees, assessments, or other charges levied in the insurance company's home state. Collections from this line were 2% of Insurance Premium Tax General Fund revenues in FY 2021.

Tax Credits: Tax revenues from the insurance lines above are reduced by Insurance Premium Tax credits. Growth of tax credit use in recent years has largely been driven by the 20% annual increases in the cap on Private School Tuition Organization - Low Income Students credits. Laws 2019, Chapter 281 limits the annual increase of the credit cap to 15% in FY 2021, 10% in FY 2022, and 5% in FY 2023. Beginning in FY 2024, the increase of the credit cap is limited to the greater of 2% or the annual change of the Metropolitan Phoenix consumer price index. Dollar impacts of the specific Insurance Premium Tax credits in FY 2021 are listed in the table below.

FY 2021 Insurance Premium Tax Credits (\$ in millions)	
<u>Credits:</u>	<u>Annual Cost</u>
Private School Tuition Organization - Low Income Students ^{1/}	\$46.6
New Employment	7.0
Health Insurance Premium ^{2/}	4.2
Private School Tuition Organization - Disabled/Displaced Students ^{3/}	4.3
Insurance Guaranty Fund Assessment	<u>7.1</u>
Total Value of Credits	\$69.2
 ^{1/} Credit was capped at \$123.1 million in FY 2021 between corporate and insurance premium taxpayers.	
^{2/} Credit is capped at \$5.0 million annually.	
^{3/} Through FY 2021, credit is capped at \$5.0 million annually between corporate income and insurance premium taxpayers.	

Insurance Premium Tax Revenue by Insurance Line ^{1/}
General Fund Collections

(\$ in Millions)

<u>Insurance Line</u>	<u>FY 2015</u>		<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</u>	
	<u>Revenue</u>	<u>Y/Y Chg.</u>	<u>Revenue</u>	<u>Y/Y Chg.</u>	<u>Revenue</u>	<u>Y/Y Chg.</u>	<u>Revenue</u>	<u>Y/Y Chg.</u>	<u>Revenue</u>	<u>Y/Y Chg.</u>	<u>Revenue</u>	<u>Y/Y Chg.</u>	<u>Revenue</u>	<u>Y/Y Chg.</u>
AHCCCS Contractors	178.1	23.7%	208.6	17.2%	211.1	1.2%	212.9	2.1%	225.5	5.9%	221.3	-1.9%	294.6	33.1%
Accident and Health	87.6	6.4%	103.7	18.4%	102.8	-0.9%	102.9	-0.8%	108.5	5.4%	110.7	2.0%	120.7	9.0%
Vehicle ^{2/}	84.3	6.2%	89.5	6.2%	95.0	6.1%	102.5	14.5%	109.5	6.8%	113.7	3.8%	110.3	-3.0%
Other Property and Casualty	60.8	8.6%	60.2	-0.9%	60.6	0.7%	61.7	2.5%	62.5	1.3%	62.1	-0.6%	66.5	7.1%
Life	39.7	1.3%	43.7	10.2%	42.9	-1.8%	43.2	-1.1%	43.6	0.9%	43.6	0.0%	45.2	3.7%
Surplus	12.3	10.2%	11.6	-5.3%	15.5	33.6%	16.3	40.5%	18.5	13.5%	20.0	8.1%	23.8	19.0%
Fire ^{3/}	2.1	-1.4%	2.6	21.7%	1.3	-50.2%	0.9	-65.5%	0.7	-22.2%	0.8	14.3%	3.2	300.0%
Retaliatory Payments	10.7	19.7%	6.9	-35.2%	9.2	33.3%	8.4	21.7%	10.3	22.6%	11.8	14.6%	12.3	4.2%
Tax Credits	(27.8)	49.5%	(33.5)	20.5%	(36.9)	10.1%	(42.1)	25.7%	(40.9)	-2.9%	(49.0)	19.8%	(69.2)	41.2%
Cash Flow Adjustments ^{4/}	3.2	--	0.8	--	4.5	--	2.6	--	11.4	--	0.1	--	12.3	--
Total Fiscal Year Revenues ^{5/}	\$ 450.7	9.5%	\$ 494.1	9.6%	\$ 506.0	2.4%	\$ 509.3	0.7%	\$ 549.6	7.9%	\$ 535.1	-2.6%	\$ 619.7	15.8%

Notes

^{1/} Revenue amounts reflect line item estimates by the Department of Insurance and Financial Institutions.

^{2/} Amounts exclude revenue from an additional 0.4312% tax on vehicle line premiums that is dedicated for funding the Public Safety Retirement System.

^{3/} Amounts exclude the 85% of fire line collections that are transferred to cities, towns and fire districts to assist in funding pension plans of fire fighting personnel.

^{4/} Amounts reflect differences between tax liability and tax payments within the year.

^{5/} JLBC reports General Fund revenues were \$449.5 M in FY 2015, \$490.6 M in FY 2016, \$504.3 M in FY 2017, \$509.3 M in FY 2018, \$49.8 M in FY 2019, \$535.2 M in FY 2020, and \$616.3 M in FY 2021.

Amounts in this table reflect estimates by the Department of Insurance and Financial Institutions.

Source: Department of Insurance and Financial Institutions

Arizona Insurance Premium Tax General Fund Collections

		Insurance Premium		Year-to-Date	
	Month	Tax	Y/Y Chg.	Total	YTD Chg.
FY 2018	July 2017	42,553,870	72.9%	42,553,870	72.9%
	Aug 2017	50,562,505	-31.6%	93,116,375	-5.5%
	Sep 2017	61,720,349	23.2%	154,836,724	4.2%
	Oct 2017	1,545,913	-62.1%	156,382,637	2.4%
	Nov 2017	67,537	-59.8%	156,450,174	2.4%
	Dec 2017	52,176,521	5.2%	208,626,695	3.1%
	Jan 2018	(596,330)	-109.4%	208,030,365	-0.3%
	Feb 2018	5,002,323	-49.8%	213,032,689	-2.6%
	Mar 2018	44,243,335	-62.7%	257,276,024	-23.7%
	Apr 2018	126,587,683	318.5%	383,863,707	4.4%
	May 2018	32,983,037	-20.4%	416,846,744	1.9%
	June 2018	92,429,259	-3.1%	509,276,003	1.0%
FY 2019	July 2018	41,973,653	-1.4%	41,973,653	-1.4%
	Aug 2018	44,496,524	-12.0%	86,470,176	-7.1%
	Sep 2018	61,455,389	-0.4%	147,925,565	-4.5%
	Oct 2018	4,592,134	197.0%	152,517,700	-2.5%
	Nov 2018	5,560,854	8133.8%	158,078,553	1.0%
	Dec 2018	56,036,734	7.4%	214,115,288	2.6%
	Jan 2019	(14,705)	-97.5%	214,100,583	2.9%
	Feb 2019	5,108,941	2.1%	219,209,524	2.9%
	Mar 2019	144,923,664	227.6%	364,133,188	41.5%
	Apr 2019	38,271,679	-69.8%	402,404,867	4.8%
	May 2019	46,136,835	39.9%	448,541,702	7.6%
	June 2019	101,218,865	9.5%	549,760,567	7.9%
FY 2020	July 2019	38,936,808	-7.2%	38,936,808	-7.2%
	Aug 2019	7,137,164	-84.0%	46,073,971	-46.7%
	Sep 2019	110,404,809	79.7%	156,478,781	5.8%
	Oct 2019	1,011,969	-78.0%	157,490,750	3.3%
	Nov 2019	6,754,620	21.5%	164,245,370	3.9%
	Dec 2019	59,572,232	6.3%	223,817,602	4.5%
	Jan 2020	438,771	-3083.8%	224,256,373	4.7%
	Feb 2020	3,894,281	-23.8%	228,150,654	4.1%
	Mar 2020	141,980,034	-2.0%	370,130,688	1.6%
	Apr 2020	26,984,271	-29.5%	397,114,958	-1.3%
	May 2020	40,569,798	-12.1%	437,684,756	-2.4%
	June 2020	97,478,600	-3.7%	535,163,356	-2.7%
FY 2021	July 2020	265,700	-99.3%	265,700	-99.3%
	Aug 2020	46,734,325	554.8%	47,000,024	2.0%
	Sep 2020	95,706,083	-13.3%	142,706,107	-8.8%
	Oct 2020	24,306,380	2301.9%	167,012,488	6.0%
	Nov 2020	2,128,401	-68.5%	169,140,889	3.0%
	Dec 2020	77,146,423	29.5%	246,287,311	10.0%
	Jan 2021	245,753	-44.0%	246,533,064	9.9%
	Feb 2021	5,650,804	45.1%	252,183,869	10.5%
	Mar 2021	143,591,466	1.1%	395,775,334	6.9%
	Apr 2021	57,234,418	112.1%	453,009,752	14.1%
	May 2021	49,228,308	21.3%	502,238,060	14.7%
	June 2021	114,013,386	17.0%	616,251,446	15.2%
FY 2022	July 2021	47,442,766	17755.8%	47,442,766	17755.8%
	Aug 2021	55,907,936	19.6%	103,350,701	119.9%
	Sep 2021	81,736,467	-14.6%	185,087,169	29.7%
	Oct 2021	9,486,660	-61.0%	194,573,828	16.5%
	Nov 2021	217,202	-89.8%	194,791,030	15.2%
	Dec 2021	77,946,451	1.0%	272,737,482	10.7%
	Jan 2022				
	Feb 2022				
	Mar 2022				
	Apr 2022				
	May 2022				
	June 2022				

JLBC FINANCE ADVISORY COMMITTEE (FAC) MEMBERS

State Treasurer Kimberly Yee serves as the state's Chief Banker and Investment Officer, overseeing approximately \$15 billion in state assets. The Treasurer also serves as the Chair of Arizona's State Board of Investment and State Loan Commission and is a member of the State Land Selection Board. Since the FAC's inception, the sitting State Treasurer has been a panelist.

Matthew Gress is the Director of the Governor's Office of Strategic Planning and Budgeting (OSPB). The sitting OSPB Director is always a FAC panelist.

George W. Hammond is Director and Research Professor of the Economic and Business Research Center in the Eller College of Management at the University of Arizona. Dr. Hammond brings 17 years of experience in state and local econometric forecasting and regional economic analysis to the Center. He has completed over 50 regional economic studies on topics that include economic and workforce development, energy forecasting, and the impact of higher education on human capital accumulation.

John C. Lucking is President of ECON-LINC, an economic consulting firm. Dr. Lucking also serves as a director for Sanu Resources Ltd., an international mineral exploration company, and as a trustee for several municipal bond mutual funds. Previously, he served as Chief Economist for Bank One Arizona and as the Executive Director of the Governor's Partnership for Economic Development (GSPED). Dr. Lucking has been a member of the FAC since 1987.

Alan E. Maguire is the President of The Maguire Company, an economic and public policy consulting firm. Previously he was a senior municipal investment banker, the Chief Deputy Treasurer of Arizona, and the Economic Advisor to the Arizona State Senate. He is member of the Arizona Economic Estimates Commission and a founding member of the Arizona Blue Chip Economic Forecast panel.

Lorenzo Martinez is Vice President, Finance and Administration for the Arizona Board of Regents (ABOR) and has been with ABOR for 11 years. Prior to joining ABOR, he served as Assistant Director with the Arizona Joint Legislative Budget Committee.

Elliott D. Pollack is President of Elliott D. Pollack and Company in Scottsdale, Arizona, an economic and real estate consulting firm established in 1987. Mr. Pollack served as Chief Economist of Valley National Bank in Arizona for 14 years prior to establishing his consulting firm and is currently a member of the Economic Estimates Commission. He has been a member of the FAC since its inception.

Jim Rounds is President of Rounds Consulting Group. The firm specializes in economic development and tax policy research. Previously, Mr. Rounds served as a Senior Economist and Senior Budget Analyst with the Arizona Joint Legislative Budget Committee, and as Senior Vice President at Elliott D. Pollack & Company.

Elaine Smith joined the Finance Advisory Committee in 2014. Elaine is the Assistant Deputy Director of the Office of Economic Research and Analysis at the Arizona Department of Revenue. She has been with the department for over 25 years.

Randie Stein is a Director in the Public Finance Department of the Investment Banking Firm Stifel, Nicolaus & Company, Incorporated. She has been with Stifel since 2004. Ms. Stein has 10 years of experience as a fiscal advisor and Finance Committee analyst in the Arizona State Senate and as an economist/budget analyst with the Joint Legislative Budget Committee and is a former staff director of the School Facilities Board. She has been a member of the FAC since 2005.

Steve Taddie joined the Finance Advisory Committee in 2014. Steve was a co-founder of Stellar Capital Management, a Phoenix based investment management firm, and has been its Managing Partner since 2000. He has 30 years of investment experience, has focused on applied economics in the financial markets for the last 15 years, and is a panelist for the NABE Outlook and the Arizona Blue Chip Economic forecasts.

Doug Walls is the Labor Market Information Director for the Arizona Office of Economic Opportunity, which generates and manages labor market information for the state. In this role, Mr. Walls provides support for long-term workforce development initiatives around the state. Mr. Walls is also responsible for producing and communicating state employment reports including employment projections, unemployment estimates, median-family income estimates and occupational profiles.