



ARIZONA HOUSE REPUBLICANS

Budget *Snapshot*

COST-OF-LIVING TAX RELIEF

- **\$1.45B income tax cut** over 4 years, matching amount of Trump Tax Cuts / full tax conformity
- **Commitment fulfilled:** taxpayers won't have to refile
- Increases standard deduction, no tax on tips or overtime, increased child tax credit, new deduction for childcare expenses, retirement deductions for seniors 60+
- **Only state to adopt full conformity** for all business provisions of HR 1

REFORMS ENTITLEMENT PROGRAMS

- Medicaid quarterly eligibility redeterminations and data matching (**\$42M annual savings**)
- SNAP work requirements, frequent eligibility determinations and data sharing (**\$139M saved in FY 28, \$185M saved in FY 29**)

ENDS CRONY CAPITALISM

- Tucson Rio Nuevo diversion of state taxpayer money scheme repealed (**\$19M savings**)
- Full sweep of Arizona Commerce Authority Competes Fund (**\$63M savings**) and ongoing funding (**\$4M savings**)
- Office of Tourism general fund eliminated (**\$8M annual savings**); continued funding by tourism/gaming monies

REJECTS GREEN NEW DEAL TAX CREDITS

- Eliminates tax credits for Solar Energy Devices, Pollution Control Equipment, New Employment, and Refundable R&D (**\$32M ongoing savings**)
- Repeals TPT Exemption on Sale of Solar Energy Devices and Renewable Energy Production Tax Credit (**\$44M ongoing savings**)

SUPPORTS PUBLIC SAFETY

- **Correctional Officers:** 4% officer stipend (\$21M)
- **DPS:** Operational shortfall supplemental (\$4.5M HPF)

FISCAL RESPONSIBILITY

- **\$800M less** spending than Hobbs' budget
- **1.5% real dollar spending decrease** (1.6% nominal dollar increase vs. 3.1% inflation/population growth)
- **No reliance on Prop 123 continuation**, inflated revenue projections or fake border monies
- No new discretionary spending
- Uses updated, realistic revenue projections (April FAC)

SMALLER GOVERNMENT

- **5% reduction in agency operating budgets** (excluding DPS/ADC/DCS)
- Additional ongoing **government efficiencies totaling \$100M** beginning in FY28
- Employee insurance premium increases by 10%, 5%, and 5% in Plan Years 2027 – 2029 respectively

SERIOUS BUDGET IN DIVIDED GOVERNMENT & LDS: CONTINUED ONE-TIME NEED-BASED FUNDING

- **K-12:** Low-income weight and district additional assistance funding (\$66M)
- **Childcare:** Continued funding of childcare of low-income parents, approx. 4,000 children (\$45M)
- **Child Safety:** Congregate care backfill of funding lost by federal timing requirements (\$37M)
- **Crime Victims:** VOCA backfill at DPS/DES/ACJC (\$23M)
- **Developmentally Disabled:** High-need clients in home and community-based settings (\$18M)
- **Foster Care:** Coaching for community providers to young adults ages 17.5 to 20 (\$8M)
- **School Meals:** Removed co-pay for reduced price school meals (\$2M)

PROTECTS ESAS/ NO NEW GAMING OR STAYCATION FEES OR TAXES
