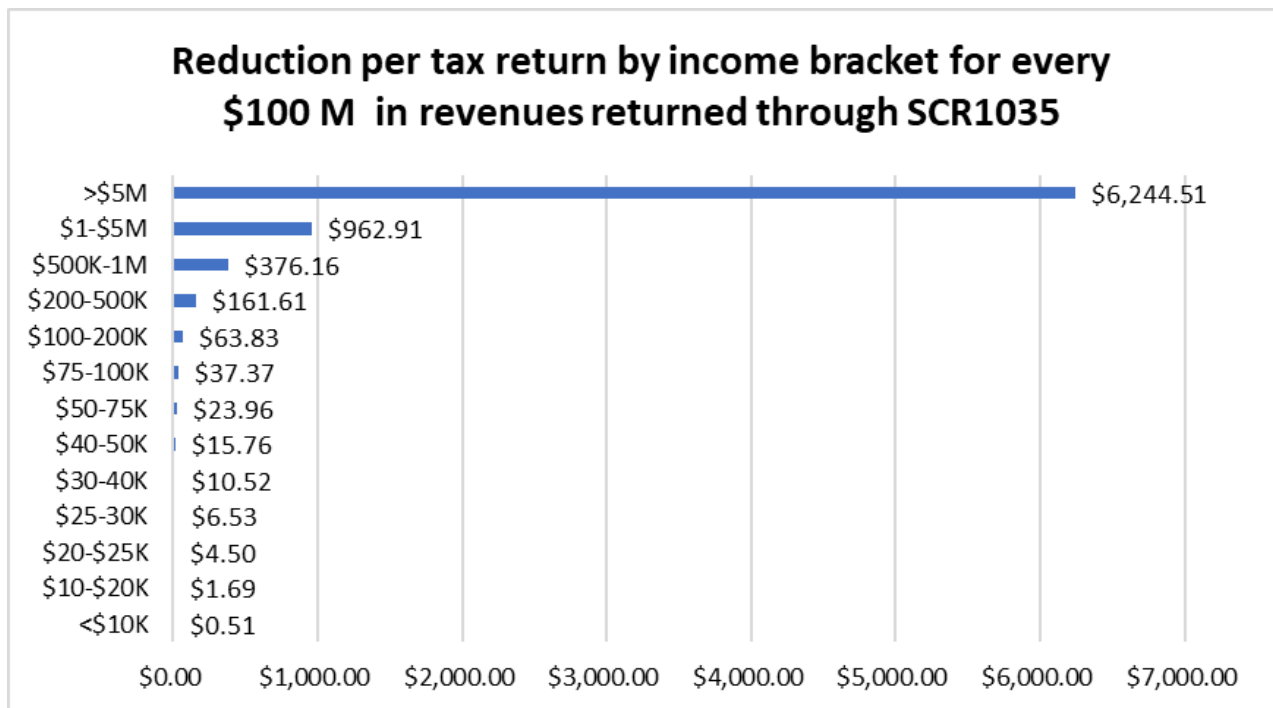


March 7, 2023

SCR1035 mandates if revenues exceed the state’s minimalist budget that the individual income tax rate be reduced to return half of any annual surplus to taxpayers. For every \$100 million in returned “excess” revenues, Arizonans earning \$5 million or more will receive on average a \$6,245 refund, while those earning \$50,000 will receive \$16. This will trap the state with a budget insufficient to fund the investments needed to drive economic growth for all Arizonans.



SCR1035 has the WRONG priorities:

- Impedes the state’s ability to fund quality education and attract businesses
- Prioritizes households that least need added income
- Concentrates benefits in higher-income urban areas rather than lower-income rural Arizona
- Favors higher-earning college educated taxpayers over those with less formal education

*Estimate derived from GCI’s analysis and adjustments of JLBC’s Flat Tax Memo from May 26, 2021. Contact: Dave Wells, Research Director, [DWells@azgci.org](mailto:DWells@azgci.org), (602) 595-1025 ext. 2.*