



Tax Cut for Millionaires Means Less Money for Teachers, Public Schools

HB2528 will provide 183 millionaires in Arizona who each make more than \$5 million a year an average tax cut of \$28,271 on their capital gains from the sale of capital assets, such as stocks, bonds, and real estate. This tax cut will reduce state revenues \$23 million by fiscal year 2023 while critical state needs, like increasing teacher pay to address our teacher shortage crisis, go unresolved. Rather than providing a tax cut for millionaires, our legislature should focus on investing in our public school teachers who are educating the skilled workforce Arizona needs to create more quality jobs and greater economic prosperity for all Arizonans.

Arizona doesn't need another tax cut which picks winners and losers.

This bill will compound the problem of some of Arizona's wealthiest residents not paying their fair share to support the priorities that all Arizonans depend on to grow our economy and build thriving communities like quality public schools in every neighborhood, affordable college tuition and dependable infrastructure. 60% of the tax cuts in this bill will go to 4,100 individuals making \$500,000 or more per year. The vast majority of Arizonans who make less than \$100,000 per year will not see any tax cut from this bill, and those that do will receive an average tax cut of \$57.46.

# of Taxpayers who will benefit	Income Bracket	% of Impact	Average \$ benefit to each taxpayer in 2023
7059	Less than \$10k	1.1%	\$42.50
5059	10k-20k	1.1%	\$59.30
2342	20k-35k	0.5%	\$42.70
2292	25k-30k	0.5%	\$43.63
4508	30k-40k	1.2%	\$66.55
4644	40k-50k	1.2%	\$64.60
11309	50k-75k	3.3%	\$70.74
10280	75k-100k	3.7%	\$77.82
21916	100k-200k	12.0%	\$127.76
11408	200k-500k	16.9%	\$341.87
2518	500k – 1 million	10.1%	\$953.14
1435	1 million – 5 million	26.4%	\$4,250.87
183	Over \$5 million	22.3%	\$28,415.30
84,953 TOTAL			

Source: Calculated using JLBC Fiscal Note for HB2528 dated 2/16/18

A state capital gains cut is a flawed strategy for economic growth.

HB2528 is not likely to foster investment and to spur economic growth in Arizona since any new investment encouraged by the legislation could take place anywhere in the United States or the world. HB2528 is another in a long list of tax cuts that we have seen at the State Capitol for the past 30 years where the legislature has focused on giving tax cuts to corporations and special interests with the promise that they would use their gains to trickle down more jobs and economic growth to the rest of us. But those promises have consistently not been met. Now is the time to focus on fiscal policies which will give all Arizonans a better opportunity to move up the economic ladder, because when all Arizonans thrive, businesses grow and hire, and our entire state benefits.