



ARIZONA STATE SENATE
Fifty-First Legislature, First Regular Session

FACT SHEET FOR H.B. 2439

income tax brackets; inflation index

Purpose

Instructs the Arizona Department of Revenue (DOR) to adjust the income dollar amounts for each tax bracket to conform to the average annual change in the Metropolitan Phoenix Consumer Price Index for each year succeeding taxable year (TY) 2014.

Background

Current statute states personal income tax is levied, collected, and paid by every resident of the state and every nonresident who has income derived from within the state. Pursuant to A.R.S. § 43-1011, the tax table utilized for single and joint filing persons delineates the percentages levied on taxable income to range from 2.59% to 4.54% depending on taxable income.

According to the Bureau of Labor Statistics in the United States Department of Labor, the Consumer Price Index (CPI) measures price changes in consumer products and services.

The Department of Revenue estimates H.B. 2439 would reduce state General Fund revenues by \$10.9 million in FY 2015.

Provisions

1. Directs DOR to adjust income dollar amounts for each tax bracket to conform to the Metropolitan Phoenix CPI beginning TY 2014.
2. States that revised dollar amounts must be increased to the nearest whole dollar.
3. Prohibits the income dollar amounts for each tax bracket from being revised below the amount prescribed the previous taxable year.
4. Makes technical changes.
5. Becomes effective on January 1, 2014.

FACT SHEET

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House Action

WM	1/28/13	DP	8-0-0
3 rd Read	2/18/13		58-0-2-0

Prepared by Senate Research

February 25, 2013

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