

Finance Advisory Committee

Briefing Materials

April 15, 2021

12:00 p.m.

JLBC

Finance Advisory Committee

Briefing Materials

April 15, 2021

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Finance Advisory Committee

Revenue and Budget Update

April 15, 2021

JLBC

Key Points

- ❑ Arizona revenue growth remains strong
- ❑ March '21 federal aid (ARPA) will provide added stimulus
- ❑ We recommend adding \$800 M to our ongoing January revenue estimates

Arizona Ranks 6th in Economic Momentum

	<u>AZ Rate</u>	<u>AZ Rank</u>
Personal Income	6.1%	5
Population	1.8%	2
Employment	(3.9)%	10

Momentum calculations via State Policy Reports – Joint
NGA/NCSL Project

'21 March YTD General Fund Revenues Up 18.8%

- 12.3% Growth When Exclude Deferred Tax Filing

	<u>% Growth</u> <u>'21 YTD</u>	<u>+/- Jan Baseline</u> <u>Forecast (\$ M)</u>
Sales	10.6%	\$ 85
Individual Income	30.5	238
Corporate Income	18.4	49
Insurance Premium	6.9	16
Other	12.0	7
Overall *	18.8	\$ 395

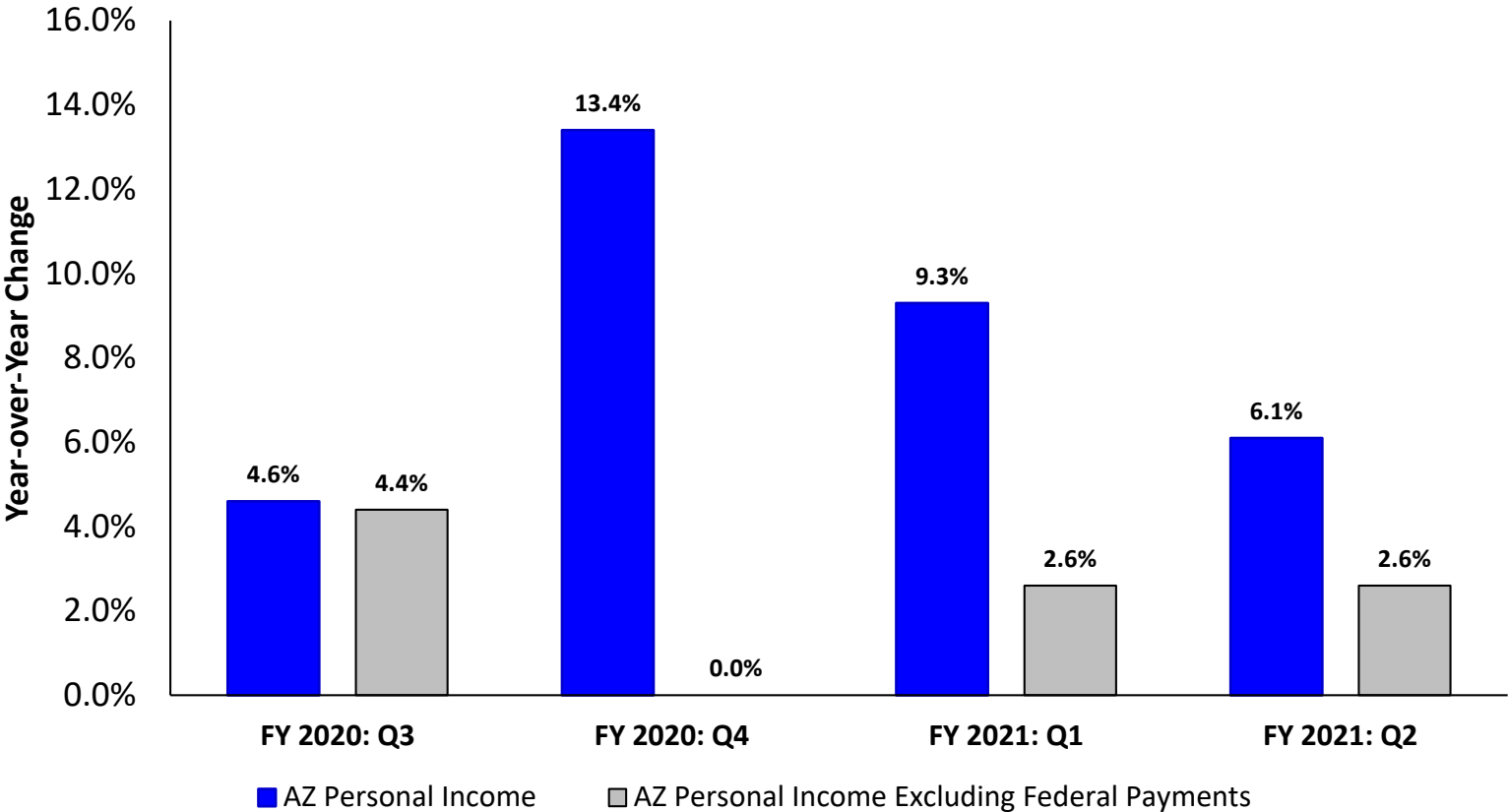
Year to Date overstated due to April '20 income tax filing being deferred to July '20

* Revenues exclude beginning balance, fund transfers and Urban Revenue Sharing
YTD = Year to Date through March

Fed COVID Aid Accelerated Personal Income

- But Influence Was Waning Thru December

Arizona Personal Income



ARPA Will Bring \$28 B of New Stimulus to Az

- State share \$12 B; local governments \$3 B

Federal Aid to Arizona

\$ in B

- | | |
|---|-----|
| <input type="checkbox"/> State Coronavirus Recovery Funds (CRF) | 4.8 |
| <input type="checkbox"/> Local Government CRF | 2.6 |
| <input type="checkbox"/> K-12 Education | 2.7 |
| <input type="checkbox"/> Higher Education – Public U’s, Comm Colleges | 0.3 |
| <input type="checkbox"/> Health, Human Services, & Housing | 3.6 |
| <input type="checkbox"/> Transportation | 0.4 |

Direct Aid

- Additional \$1.2 B in direct aid to Arizona businesses
- Federally-subsidized UI payments until September 6, 2021
- New \$1,400 stimulus payments – total of \$9 B to Arizona
- Federal tax reductions – \$3 B to Arizona

TPT Trends Remain the Same as in January

- Retail/Contracting Excellent; Restaurant/Bar/Hotels Poor

Sales Tax (TPT)% Change over Prior Year		
	YTD March <u>FY 21</u>	3 rd Qtr <u>FY 21</u>
Retail/Remote Sales	11%	15%
Contracting	18	15
Restaurant/Bar	(9)	(6)
Lodging	(37)	(43)

Forecasting State Revenues

4-Sector vs. JLBC Sector Forecasts

- 4-Sector Likely Understates Current Year Growth

4-Sector Components

- Finance Advisory Committee
- UA model – base
- UA model – low
- JLBC Staff

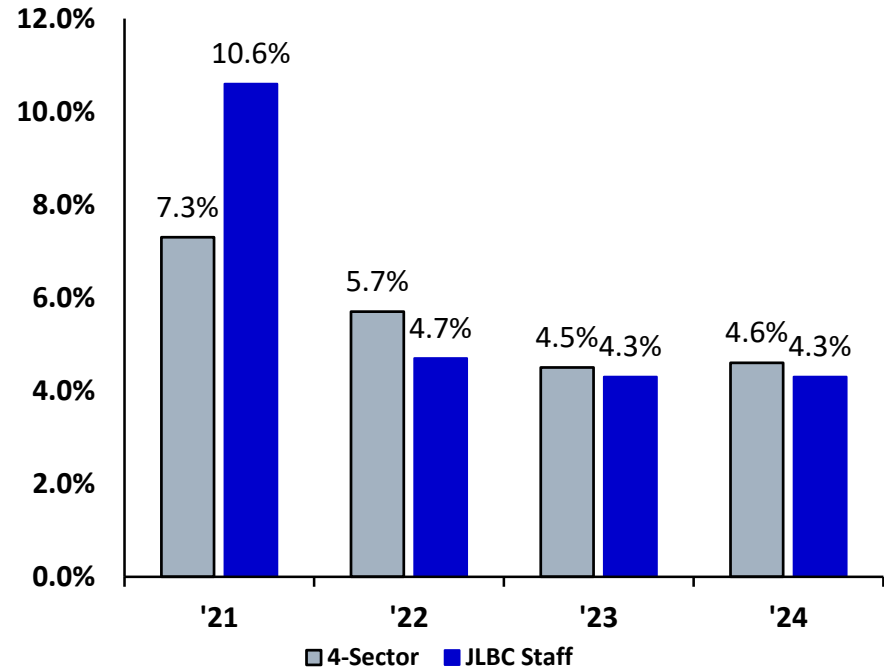
Year to Date Growth

- 12.3%

Income Tax Deferral

- %'s adjusted to remove effect of 7/20 income tax deferral

Net % Revenue Growth

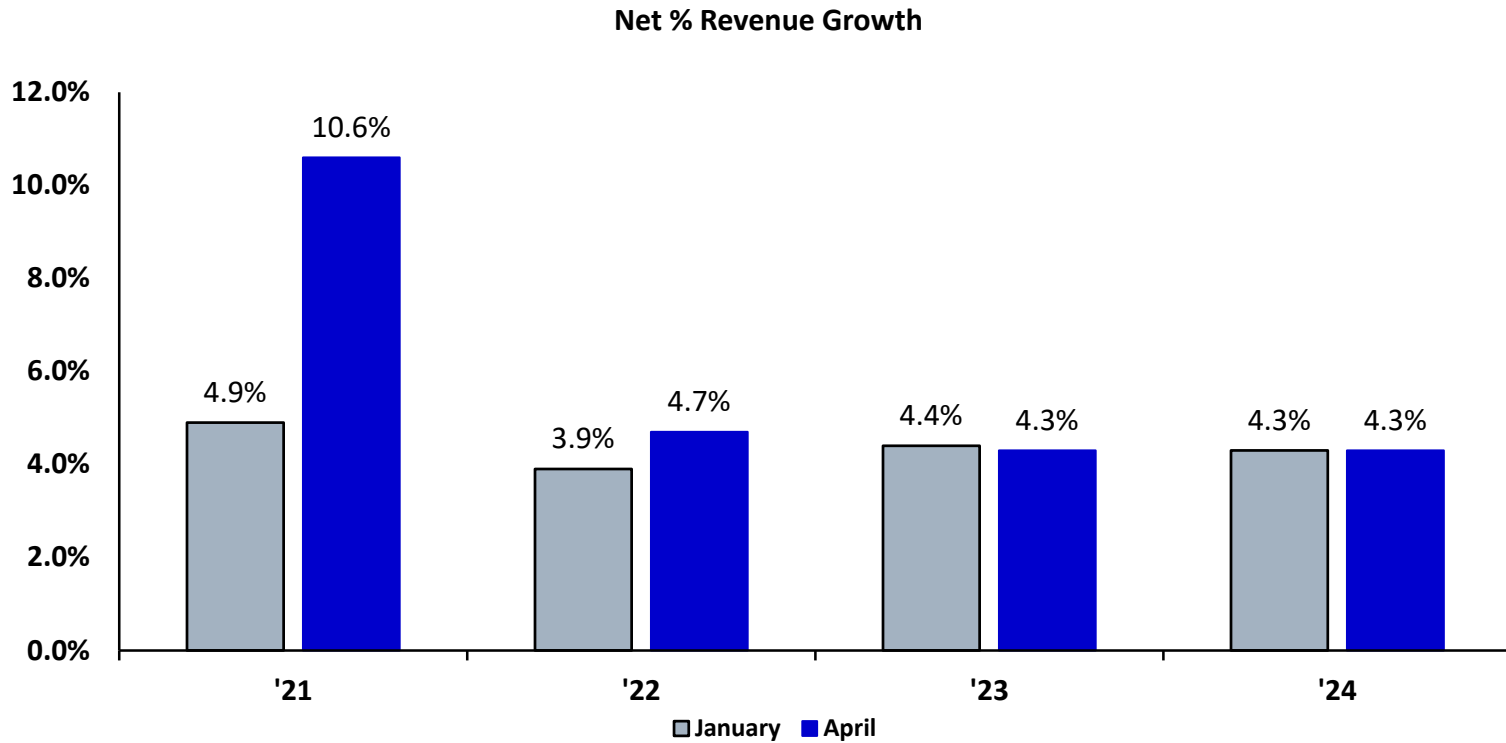


Excludes balance forward, one-time transfers and urban revenue sharing

See Appendix A

JLBC Sector Forecasts

- January Baseline vs. April Forecast



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

Revenue Additions Due to Revised Forecast

- Based on JLBC Sector of the Forecast

\$ in M

<input type="checkbox"/> FY 21	696
<input type="checkbox"/> FY 22	835
<input type="checkbox"/> FY 23	784
<input type="checkbox"/> FY 24	814

- Also incorporated a combined \$400 M in 1-time savings from extension of higher federal Medicaid match rate in '21 and '22

'24 JLBC Baseline: Ongoing Balance of \$1.5 B

- JLBC Baseline Cash Balance is \$6.4 B

(\$ in B)

	<u>Ongoing</u>	<u>Cash</u>
□ FY 22	1.2	3.9
□ FY 23	1.1	5.1
□ FY 24	1.5	6.5

* Ongoing represents difference between ongoing revenue and ongoing spending

* For every \$1 in new '22 ongoing initiatives, the '24 cash balance declines by \$3

Appendix A: Revenue Forecasts with Deferral

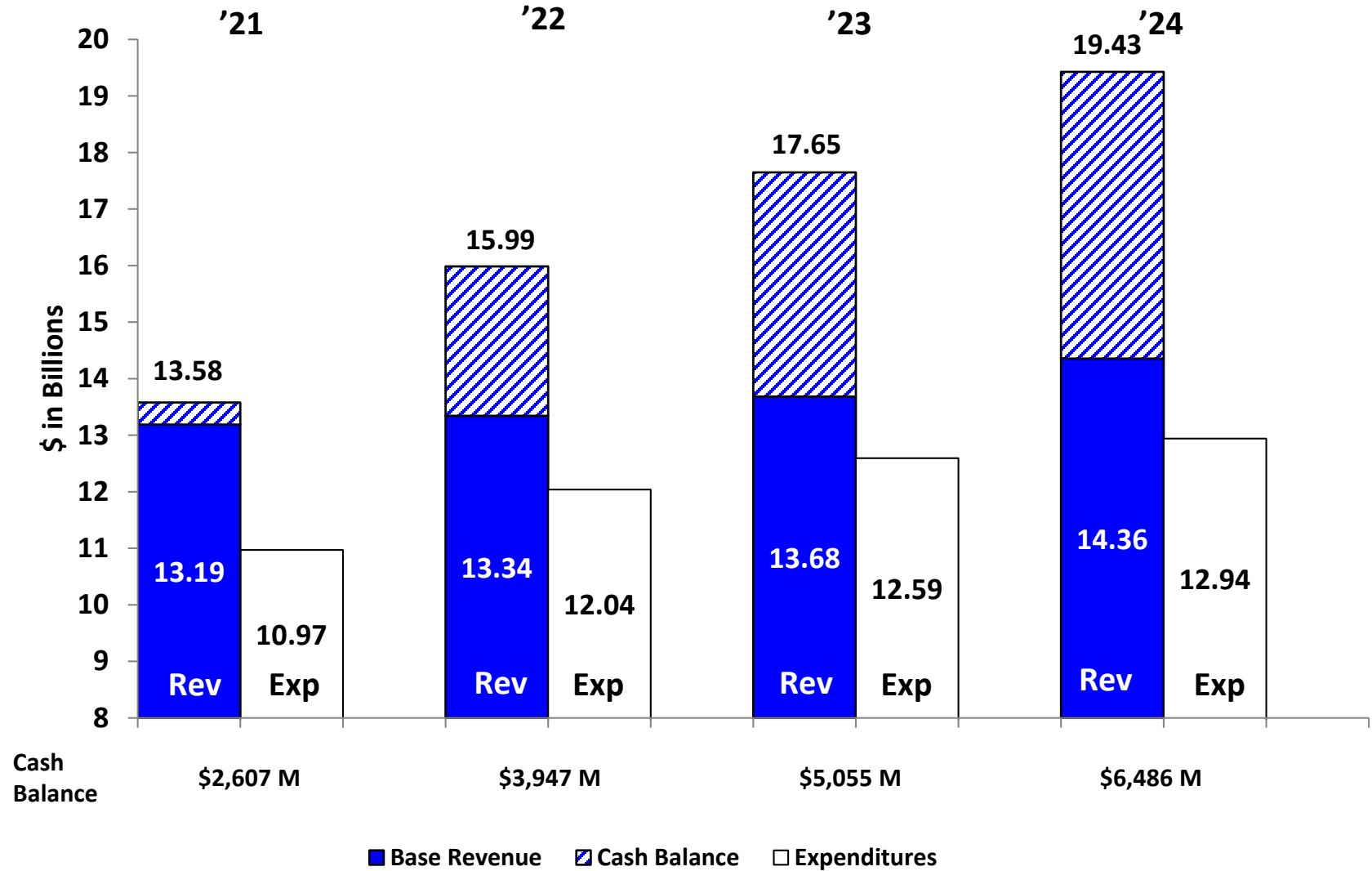
	<u>2021</u> *	<u>2022</u>	<u>2023</u>	<u>2024</u>
Sales Tax				
JLBC Forecast	10.7%	6.0%	4.5%	4.3%
UA – Low	10.5%	3.1%	4.1%	4.8%
UA – Base	11.3%	5.0%	5.8%	5.2%
FAC	9.2%	5.8%	5.5%	5.1%
Average:	10.4%	5.0%	5.5%	4.8%
Individual Income Tax with Deferral				
JLBC Forecast	36.5%	-4.1%	4.9%	4.9%
UA – Low	26.3%	-2.9%	3.7%	4.1%
UA – Base	29.5%	-1.3%	4.7%	4.7%
FAC	20.6%	2.8%	5.9%	5.6%
Average:	28.2%	-1.5%	4.8%	4.8%
Corporate Income Tax				
JLBC Forecast	16.1%	5.2%	4.0%	4.0%
UA – Low	8.4%	4.5%	4.0%	5.6%
UA – Base	10.0%	6.7%	5.8%	7.0%
FAC	18.2%	2.5%	6.2%	3.7%
Average:	13.2%	4.7%	5.0%	5.1%
Insurance Premium Tax				
JLBC Forecast	7.0%	3.5%	3.0%	2.8%
UA – Low	4.9%	4.8%	3.2%	1.9%
UA – Base	5.2%	5.0%	3.4%	2.6%
FAC	6.0%	3.2%	3.5%	3.9%
Average:	5.8%	4.1%	3.3%	2.8%

JLBC Weighted Average	21.4%	1.2%	4.6%	4.5%
UA Low Weighted Average	16.7%	0.6%	3.9%	4.4%
UA Base Weighted Average	18.5%	2.2%	5.2%	5.0%
FAC Consensus Weighted Average	14.2%	4.2%	5.6%	5.2%
“Big-4” Weighted Average	17.7%	2.0%	4.8%	4.8%
Consensus Weighted Average*	17.1%	1.4%	4.5%	4.6%

* Represents ongoing revenue adjusted for small revenue categories.

Appendix B: '21 - '24 Revenue vs. Spending

- JLBC Staff Sector Revenue Forecast



Economic Conditions and the Recovery

April 2021

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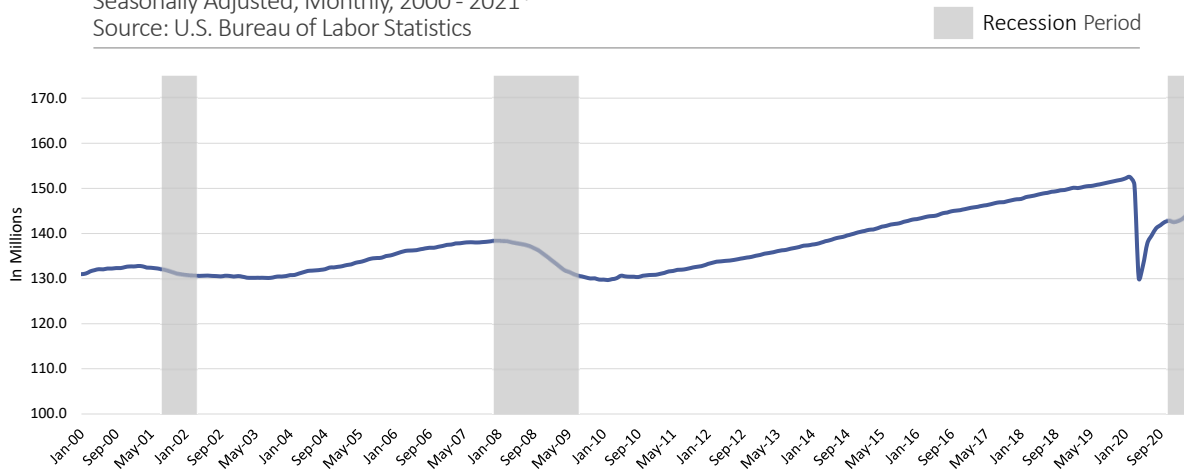
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U.S. Employment

Seasonally Adjusted; Monthly, 2000 - 2021*
Source: U.S. Bureau of Labor Statistics

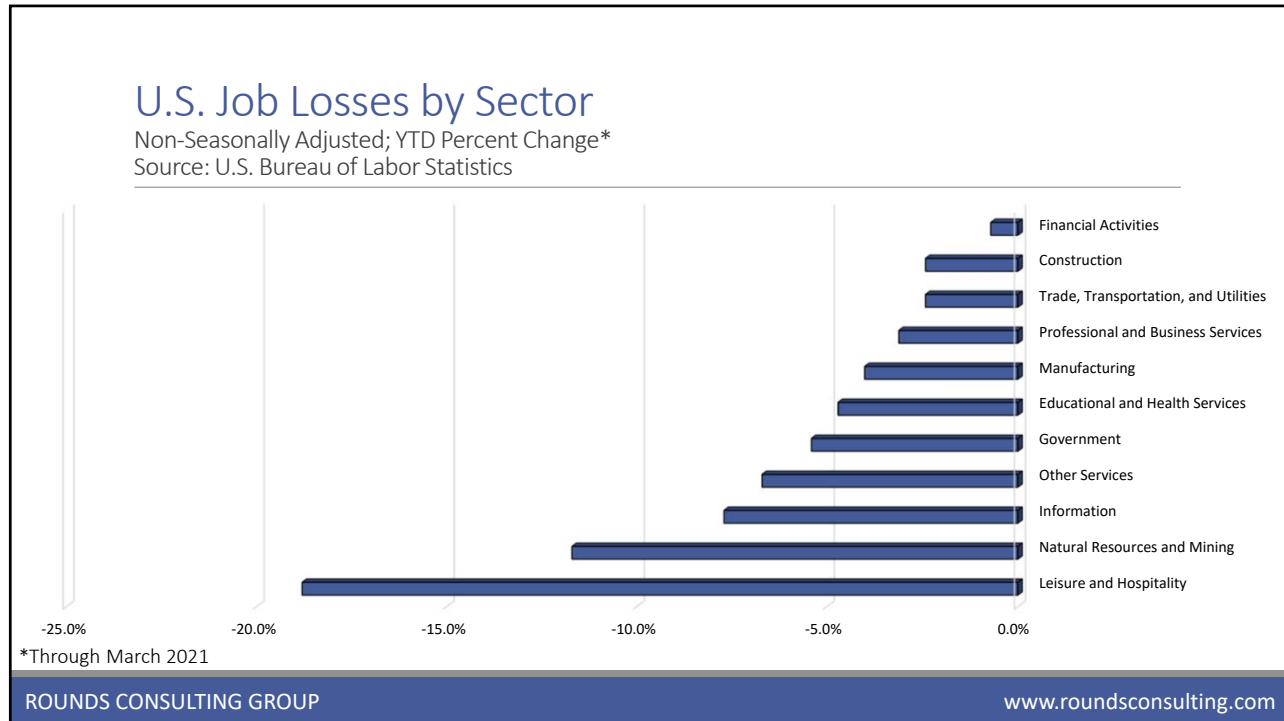


*Through March 2021

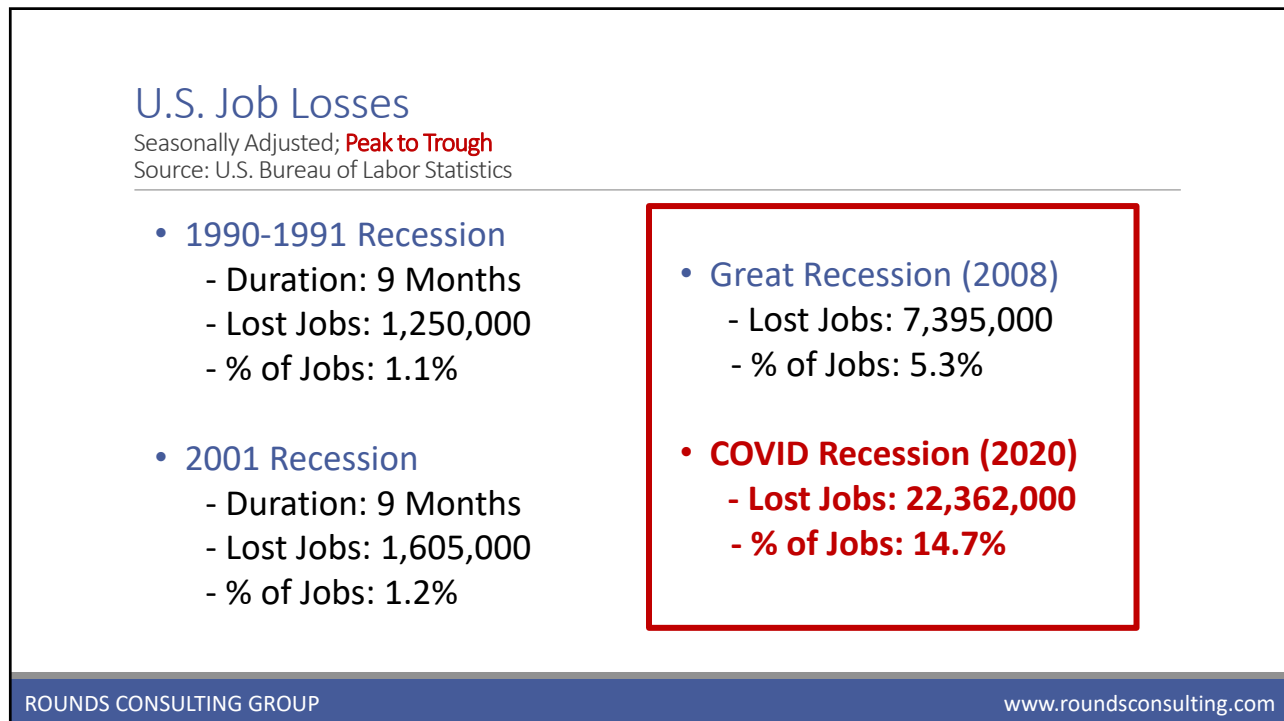
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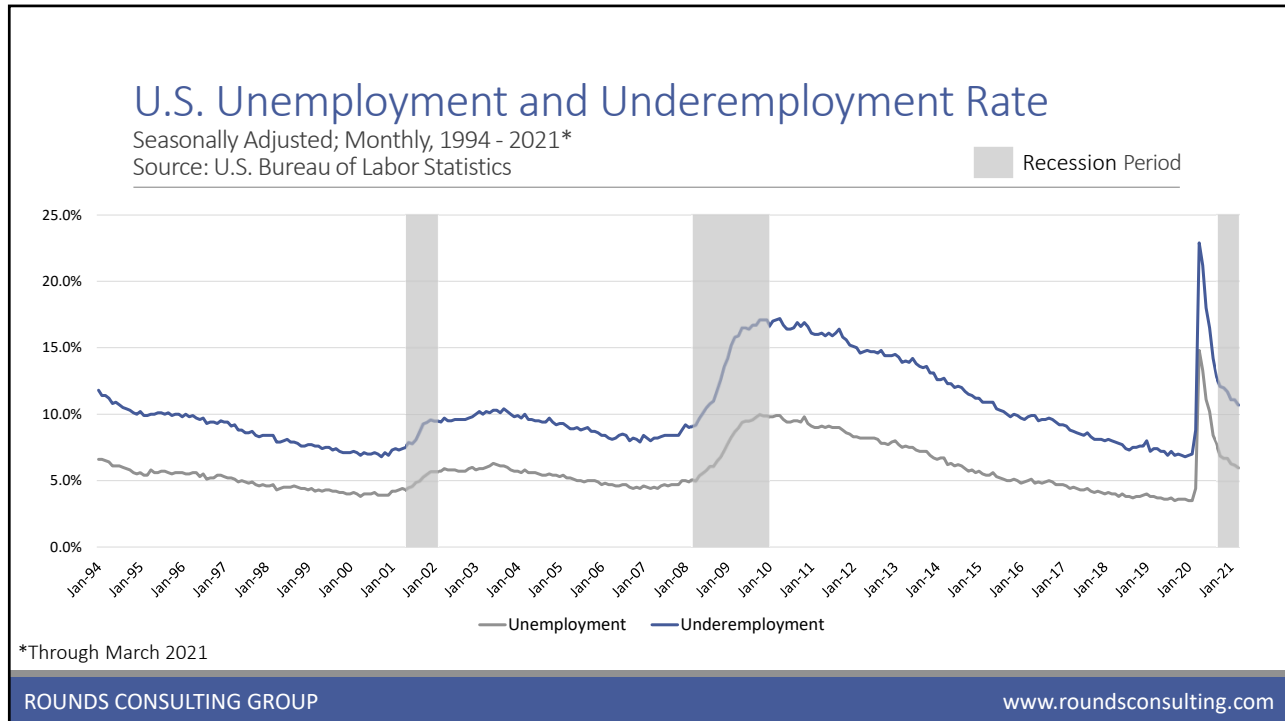
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Arizona Job Losses

Seasonally Adjusted; **Peak to Trough**
Source: U.S. Bureau of Labor Statistics

- **1990-1991 Recession**
 - Duration: 14 Months
 - Lost Jobs: 14,700
 - % of Jobs: 1.0%
- **2001 Recession**
 - Duration: 12 Months
 - Lost Jobs: 30,600
 - % of Jobs: 1.3%
- **Great Recession (2008)**
 - Lost Jobs: 307,400
 - % of Jobs: 11.5%
- **COVID Recession (2020)**
 - **Lost Jobs: 331,500**
 - **% of Jobs: 11.1%**

U.S. & AZ Job Losses and Recovery Time

Source: U.S. Bureau of Labor Statistics

U.S.	Arizona
• Total Job Losses = 22,362,000	• Total Job Losses = 331,500
• Recovered Jobs = 13,959,000	• Recovered Jobs = 213,700
• Percent Recovery = 62.4%	• Percent Recovery = 64.5%
• Avg. Jobs to Recover by 12/21 = 933,700	• Avg. Jobs to Recover by 12/21 = 11,800
• Avg. Jobs to Recover by 6/22 = 560,200	• Avg. Jobs to Recover by 6/22 = 7,400
• Avg. Monthly Job Gains in Q1 = 539,000	• Avg. Monthly Job Gains in Jan/Feb = 7,500
• Est. Full Recovery = Mid 2022	• Est. Full Recovery = Early 2022

Basic Math Will Dominate Rankings



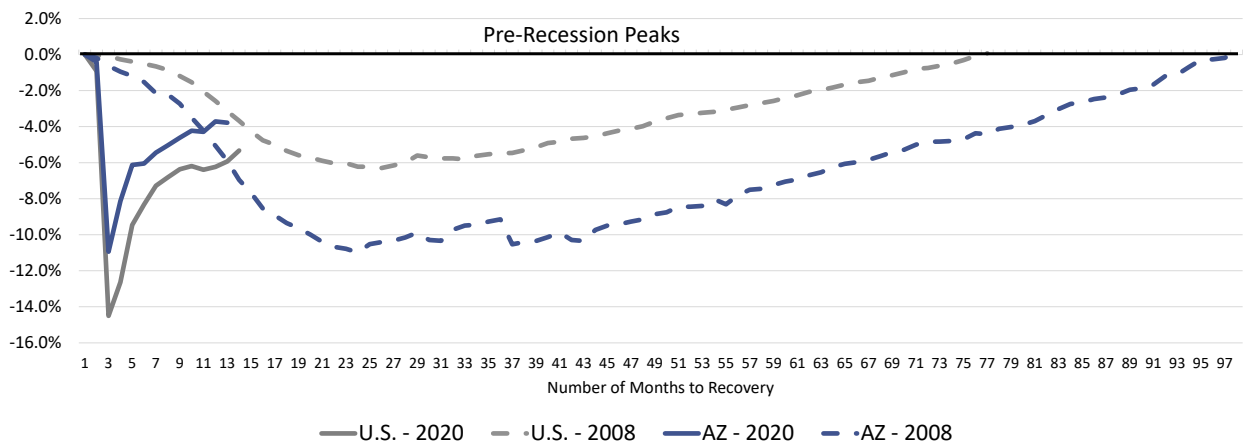
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U.S. vs AZ Job Recovery

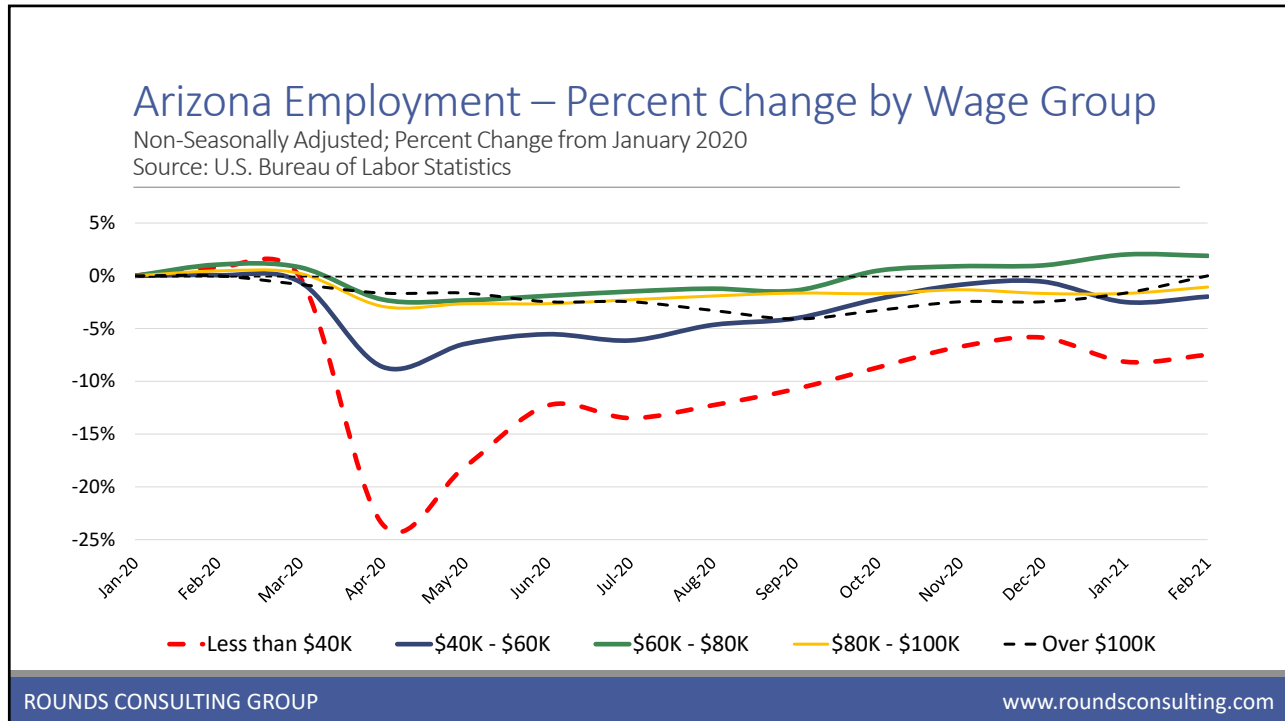
Seasonally Adjusted; Monthly Employment Percent Change Since Peak Levels (Jan 08'/Feb 20')
Source: U.S. Bureau of Labor Statistics



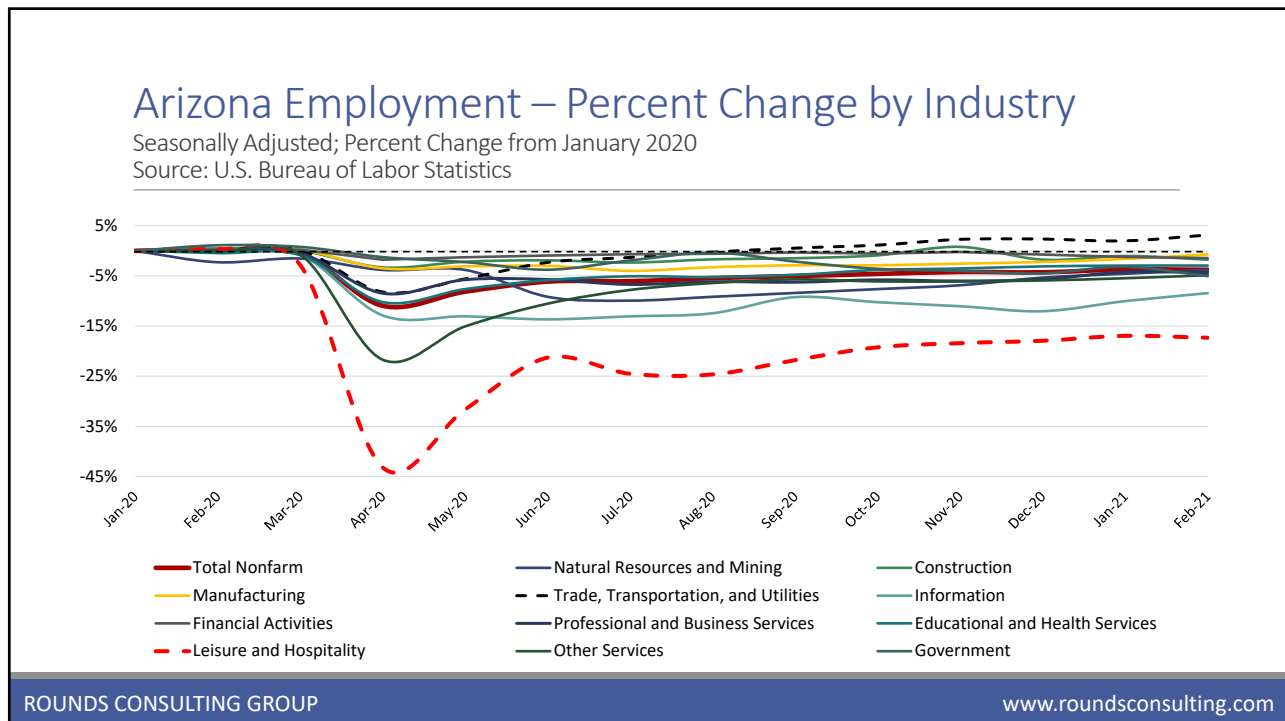
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State Job Growth Rankings - 2019

State Ranking
Source: U.S. Bureau of Labor Statistics

Rank	%	State	Rank	%	State
1	2.97%	Utah	11	1.72%	Georgia
2	2.80%	Idaho	12	1.60%	South Carolina
3	2.79%	Arizona	13	1.55%	New Mexico
4	2.46%	Nevada	14	1.47%	California
5	2.25%	Texas	15	1.45%	Oregon
6	2.14%	Colorado	16	1.37%	Alabama
7	2.00%	Washington	17	1.29%	Wyoming
8	1.93%	Florida	18	1.19%	Virginia
9	1.92%	Tennessee	19	1.13%	Montana
10	1.91%	North Carolina	20	1.04%	New York

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State Job Growth Rankings - 2020

State Ranking
Source: U.S. Bureau of Labor Statistics

Rank	%	State	Rank	%	State
1	-0.67%	Idaho	11	-4.31%	Mississippi
2	-1.62%	Utah	12	-4.34%	North Carolina
3	-3.00%	Arkansas	13	-4.58%	Kansas
4	-3.10%	Montana	14	-4.62%	Georgia
5	-3.14%	Arizona	15	-4.82%	Missouri
6	-3.43%	South Dakota	16	-4.91%	Oklahoma
7	-3.66%	Nebraska	17	-4.98%	Virginia
8	-3.98%	Tennessee	18	-5.05%	South Carolina
9	-4.28%	Alabama	19	-5.10%	Iowa
10	-4.28%	Texas	20	-5.21%	Colorado

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State Job Growth Rankings - YTD Through Feb. 2021

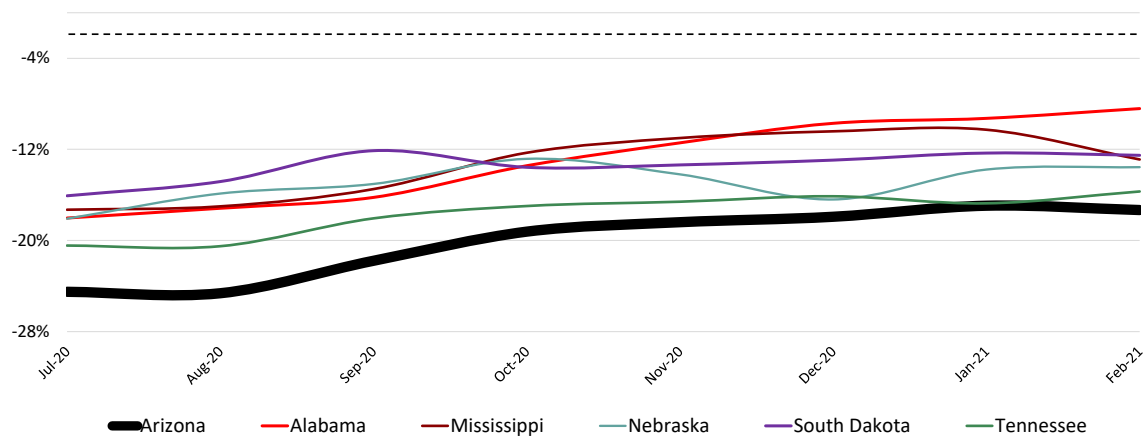
State Ranking
Source: U.S. Bureau of Labor Statistics

Rank	%	State	Rank	%	State
1	1.00%	Idaho	11	-3.88%	North Carolina
2	0.16%	Utah	12	-4.07%	South Carolina
3	-2.22%	Montana	13	-4.30%	Indiana
4	-2.40%	South Dakota	14	-4.31%	Missouri
5	-2.75%	Arkansas	15	-4.42%	Texas
6	-3.14%	Nebraska	16	-4.56%	Georgia
7	-3.39%	Alabama	17	-4.76%	Virginia
8	-3.71%	Mississippi	18	-4.83%	Kansas
9	-3.82%	Tennessee	19	-4.99%	Iowa
10	-3.82%	Arizona	20	-5.17%	Oklahoma

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Leisure/Hospitality Employment – Percent Change

Seasonally Adjusted; Percent Change from January 2020
Source: U.S. Bureau of Labor Statistics



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County Job Gains and Losses from Jan. '20 to Feb. '21

Non-Seasonally Adjusted

Source: Arizona Office of Economic Opportunity

County	Lost Jobs	Jobs Recovered	Percent Recovered
Apache	-2,450	1,200	49.0%
Cochise	-2,400	1,500	62.5%
Coconino	-10,800	5,400	50.0%
Gila	-775	375	48.4%
Graham	-1,200	1,275	106.3%
Greenlee	-550	250	45.5%
La Paz	-725	275	37.9%
Maricopa	-246,400	160,100	65.0%
Mohave	-5,700	5,000	87.7%
Navajo	-2,125	750	35.3%
Pima	-44,300	21,300	48.1%
Pinal	-7,800	5,625	72.1%
Santa Cruz	-2,375	1,475	62.1%
Yavapai	-8,400	7,500	89.3%
Yuma	-8,500	3,600	42.4%

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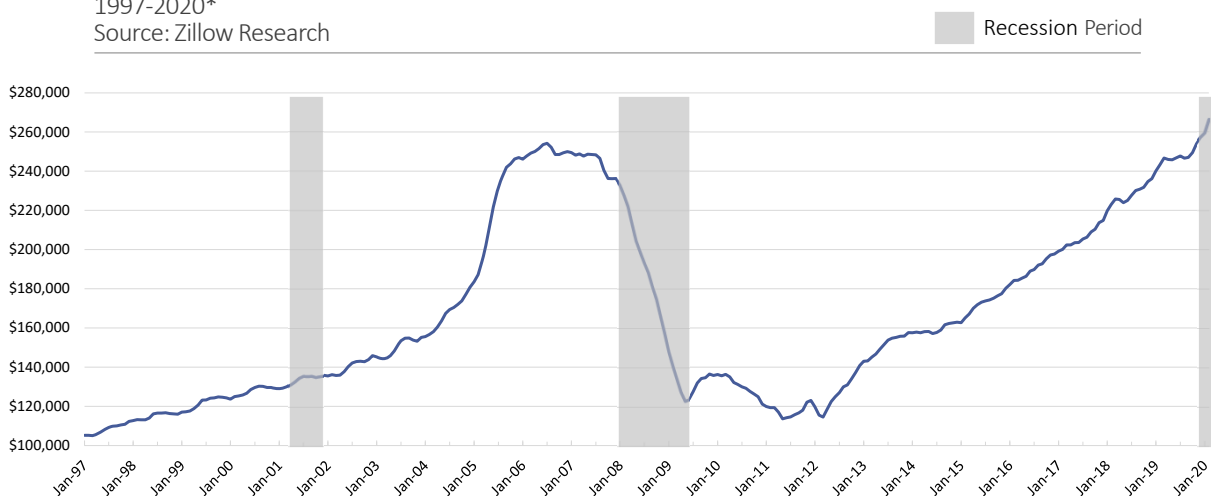
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Arizona Median Price of Homes Sold

1997-2020*

Source: Zillow Research



*Through February 2020

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Policy Evolution

After Great Recession:

We implemented major changes in tax policy, economic development, and regulations.

- After Covid-19 Recession:

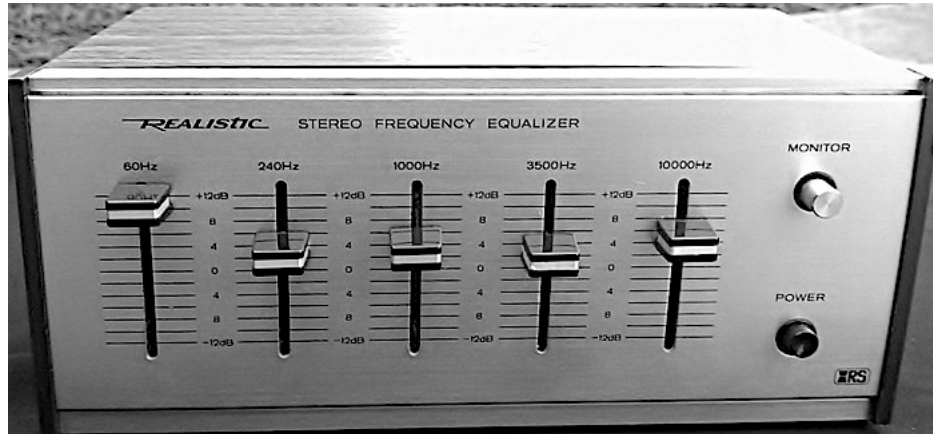
More fundamentals...

Current Economic Challenges/Opportunities:

- Housing Affordability
- Economic Incentives
- High Skill Workforce Supply
- Higher Ed Support
- Local Government Support
- Small Business Support
- Infrastructure Investment
- Poverty/Academic Achievement



Finding the Right Balance – ROI/Choices



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AZ is resilient, but we could be better...

AZ is still a solid bet, national top 5.

But incomes need to rise.

Public policy matters; how do we respond?

Job recovery by end of 2021, early 2022? It depends.

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FINANCE ADVISORY COMMITTEE CASH FLOW UPDATE

April 15, 2021

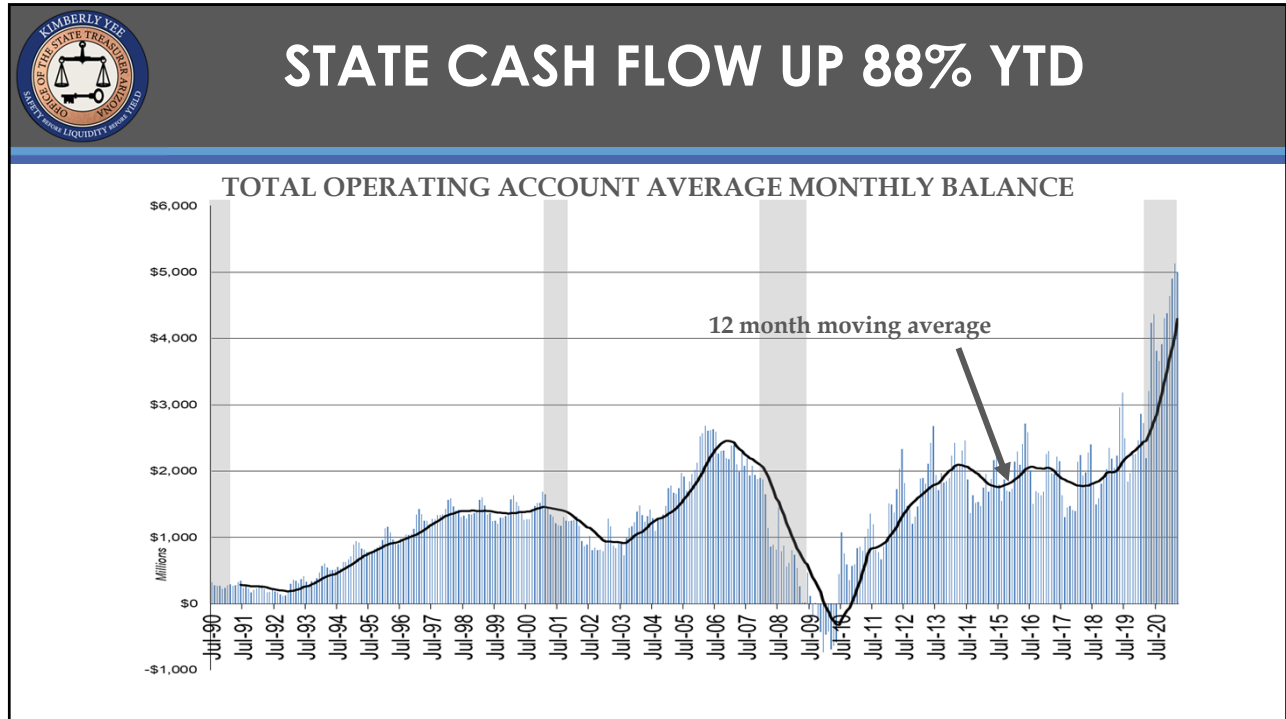
The Honorable Kimberly Yee

Treasurer

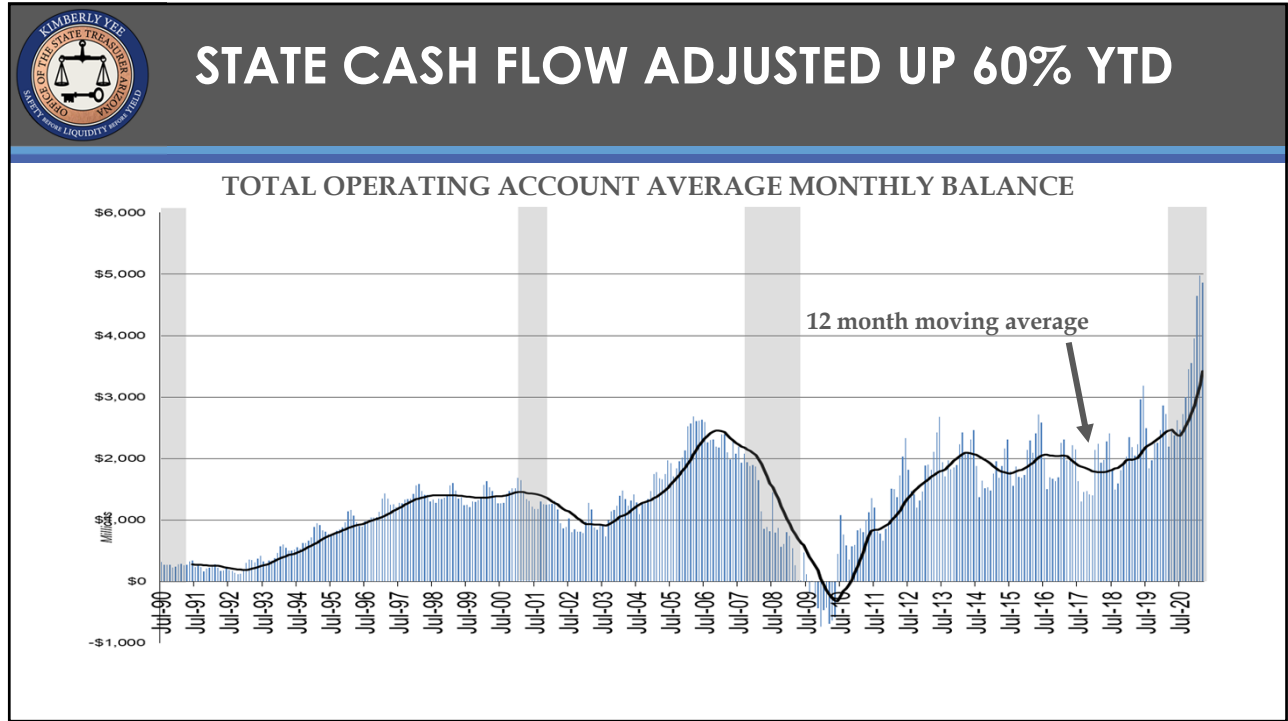
State of Arizona



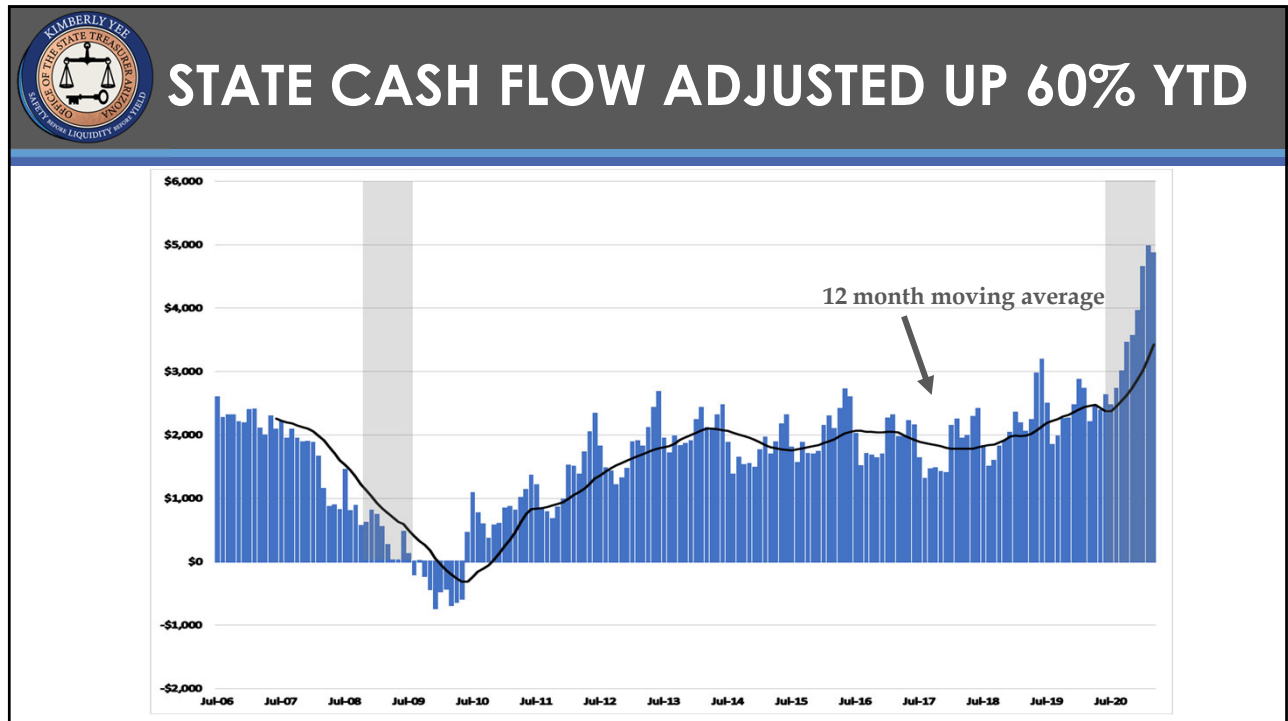
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Sales Tax

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

General Fund Collections

		Year-to-Year %		Year-to-Date		
		Collections (\$)	Change	Collections (\$)	Change	
FY 2016	↑	July 2015	348,679,583	2.9%	348,679,583	2.9%
		Aug 2015	353,211,446	2.3%	701,891,029	2.6%
		Sep 2015	354,610,905	2.9%	1,056,501,934	2.7%
		Oct 2015	353,108,793	2.0%	1,409,610,727	2.5%
		Nov 2015	358,253,367	7.2%	1,767,864,094	3.4%
		Dec 2015	348,345,894	1.2%	2,116,209,988	3.1%
		Jan 2016	402,238,930	0.6%	2,518,448,918	2.7%
		Feb 2016	337,829,144	3.8%	2,856,278,062	2.8%
		Mar 2016	353,054,649	1.6%	3,209,332,711	2.7%
		Apr 2016	379,860,032	1.8%	3,589,192,743	2.6%
		May 2016	357,578,877	3.5%	3,946,771,620	2.7%
		↓	June 2016	367,170,974	6.5%	4,313,942,594
FY 2017	↑	July 2016	366,675,509	5.2%	366,675,509	5.2%
		Aug 2016	363,146,878	2.8%	729,822,387	4.0%
		Sep 2016	360,723,516	1.7%	1,090,545,904	3.2%
		Oct 2016	368,502,768	4.4%	1,459,048,672	3.5%
		Nov 2016	357,852,204	-0.1%	1,816,900,876	2.8%
		Dec 2016	360,968,976	3.6%	2,177,869,852	2.9%
		Jan 2017	428,398,354	6.5%	2,606,268,206	3.5%
		Feb 2017	351,241,547	4.0%	2,957,509,752	3.5%
		Mar 2017	353,154,234	0.0%	3,310,663,986	3.2%
		Apr 2017	400,318,128	5.4%	3,710,982,114	3.4%
		May 2017	375,941,460	5.1%	4,086,923,573	3.6%
		↓	June 2017	419,483,784	14.2%	4,506,407,358
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
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
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%	5,391,912,922

Arizona Sales Tax - Retail (excl. Remote Sellers)

General Fund Collections

		Year-to-Year %	Year-to-Year %	Year-to-Date	Year-to-Date %	
		Collections (\$)	Change	Collections (\$)	Change	
FY 2016	↑	July 2015	181,548,265	9.0%	181,548,265	9.0%
		Aug 2015	177,046,393	10.6%	358,594,658	9.8%
		Sep 2015	175,922,929	8.0%	534,517,587	9.2%
		Oct 2015	180,960,482	10.3%	715,478,069	9.5%
		Nov 2015	180,927,010	11.4%	896,405,078	9.9%
		Dec 2015	192,683,860	4.7%	1,089,088,938	8.9%
		Jan 2016	237,905,057	4.5%	1,326,993,995	8.1%
		Feb 2016	174,692,994	3.5%	1,501,686,990	7.5%
		Mar 2016	186,681,082	3.6%	1,688,368,072	7.1%
		Apr 2016	205,855,090	0.6%	1,894,223,162	6.3%
		May 2016	188,010,481	1.8%	2,082,233,643	5.9%
		↓	June 2016	191,268,057	0.1%	2,273,501,700
FY 2017	↑	July 2016	191,669,876	5.6%	191,669,876	5.6%
		Aug 2016	184,367,350	4.1%	376,037,226	4.9%
		Sep 2016	182,613,940	3.8%	558,651,166	4.5%
		Oct 2016	184,889,016	2.2%	743,540,182	3.9%
		Nov 2016	184,250,154	1.8%	927,790,336	3.5%
		Dec 2016	198,825,115	3.2%	1,126,615,450	3.4%
		Jan 2017	250,503,160	5.3%	1,377,118,610	3.8%
		Feb 2017	183,152,188	4.8%	1,560,270,798	3.9%
		Mar 2017	184,189,325	-1.3%	1,744,460,123	3.3%
		Apr 2017	210,654,435	2.3%	1,955,114,557	3.2%
		May 2017	198,365,208	5.5%	2,153,479,766	3.4%
		↓	June 2017	205,072,228	7.2%	2,358,551,993
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
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
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

Arizona Sales Tax - Contracting

General Fund Collections

		Year-to-Year %		Year-to-Date		
		Collections (\$)	Change	Collections (\$)	Change	
FY 2016	↑	July 2015	36,244,878	-16.4%	36,244,878	-16.4%
		Aug 2015	35,425,169	-20.8%	71,670,047	-18.6%
		Sep 2015	33,896,253	-21.1%	105,566,300	-19.4%
		Oct 2015	34,716,856	-19.7%	140,283,156	-19.5%
		Nov 2015	37,175,735	-9.3%	177,458,891	-17.6%
		Dec 2015	32,070,329	-19.6%	209,529,220	-17.9%
		Jan 2016	37,035,354	-13.8%	246,564,574	-17.3%
		Feb 2016	28,219,746	-7.6%	274,784,320	-16.4%
		Mar 2016	32,563,862	-5.2%	307,348,182	-15.3%
		Apr 2016	33,730,627	2.4%	341,078,808	-13.9%
		May 2016	35,593,205	7.2%	376,672,014	-12.2%
		↓	June 2016	40,503,059	18.5%	417,175,073
FY 2017	↑	July 2016	37,587,296	3.7%	37,587,296	3.7%
		Aug 2016	36,989,247	4.4%	74,576,543	4.1%
		Sep 2016	34,220,384	1.0%	108,796,927	3.1%
		Oct 2016	37,018,388	6.6%	145,815,315	3.9%
		Nov 2016	37,153,467	-0.1%	182,968,781	3.1%
		Dec 2016	35,360,992	10.3%	218,329,773	4.2%
		Jan 2017	41,320,676	11.6%	259,650,449	5.3%
		Feb 2017	33,417,768	18.4%	293,068,217	6.7%
		Mar 2017	33,542,622	3.0%	326,610,839	6.3%
		Apr 2017	40,000,539	18.6%	366,611,379	7.5%
		May 2017	36,718,067	3.2%	403,329,445	7.1%
		↓	June 2017	42,242,772	4.3%	445,572,218
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
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
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

Arizona Sales Tax - Utilities General Fund Collections

		Year-to-Year %	Year-to-Date	Year-to-Date %		
		Collections (\$)	Change	Collections (\$)	Change	
FY 2016	↑	July 2015	39,027,451	-6.2%	39,027,451	-6.2%
		Aug 2015	50,033,607	0.1%	89,061,058	-2.8%
		Sep 2015	50,425,149	4.6%	139,486,207	-0.2%
		Oct 2015	46,253,806	4.0%	185,740,013	0.8%
		Nov 2015	39,930,072	5.8%	225,670,085	1.6%
		Dec 2015	29,220,557	3.8%	254,890,642	1.9%
		Jan 2016	31,225,862	2.7%	286,116,504	2.0%
		Feb 2016	33,549,225	2.5%	319,665,729	2.0%
		Mar 2016	30,311,776	4.7%	349,977,505	2.3%
		Apr 2016	27,673,120	0.1%	377,650,625	2.1%
		May 2016	27,958,125	-1.8%	405,608,750	1.8%
		↓	June 2016	31,963,250	0.0%	437,572,001
FY 2017	↑	July 2016	40,572,348	4.0%	40,572,348	4.0%
		Aug 2016	50,470,385	0.9%	91,042,733	2.2%
		Sep 2016	51,249,249	1.6%	142,291,982	2.0%
		Oct 2016	45,149,089	-2.4%	187,441,071	0.9%
		Nov 2016	36,948,354	-7.5%	224,389,425	-0.6%
		Dec 2016	30,947,802	5.9%	255,337,227	0.2%
		Jan 2017	29,014,541	-7.1%	284,351,768	-0.6%
		Feb 2017	31,432,074	-6.3%	315,783,842	-1.2%
		Mar 2017	28,470,454	-6.1%	344,254,296	-1.6%
		Apr 2017	27,916,909	0.9%	372,171,205	-1.5%
		May 2017	28,083,167	0.4%	400,254,373	-1.3%
		↓	June 2017	32,282,606	1.0%	432,536,979
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
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
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

Arizona Sales Tax - Restaurants and Bars General Fund Collections

		Year-to-Year %	Year-to-Date	Year-to-Date %	
	Collections (\$)	Change	Collections (\$)	Change	
FY 2016	July 2015	34,696,347	4.6%	34,696,347	4.6%
	Aug 2015	34,101,403	11.3%	68,797,750	7.8%
	Sep 2015	34,560,586	-2.5%	103,358,336	4.2%
	Oct 2015	34,887,605	2.4%	138,245,941	3.7%
	Nov 2015	38,478,451	12.2%	176,724,392	5.4%
	Dec 2015	38,160,598	2.3%	214,884,990	4.9%
	Jan 2016	39,570,273	-1.7%	254,455,263	3.8%
	Feb 2016	40,972,671	17.4%	295,427,934	5.5%
	Mar 2016	42,914,197	6.3%	338,342,131	5.6%
	Apr 2016	45,975,299	7.4%	384,317,430	5.8%
	May 2016	43,247,827	6.5%	427,565,257	5.9%
	June 2016	41,602,194	1.7%	469,167,451	5.5%
FY 2017	July 2016	37,820,186	9.0%	37,820,186	9.0%
	Aug 2016	38,024,269	11.5%	75,844,454	10.2%
	Sep 2016	36,851,641	6.6%	112,696,096	9.0%
	Oct 2016	38,037,733	9.0%	150,733,828	9.0%
	Nov 2016	40,873,010	6.2%	191,606,838	8.4%
	Dec 2016	39,001,074	2.2%	230,607,912	7.3%
	Jan 2017	42,981,910	8.6%	273,589,822	7.5%
	Feb 2017	41,848,150	2.1%	315,437,972	6.8%
	Mar 2017	43,726,596	1.9%	359,164,568	6.2%
	Apr 2017	49,438,005	7.5%	408,602,572	6.3%
	May 2017	47,408,741	9.6%	456,011,314	6.7%
	June 2017	44,752,375	7.6%	500,763,688	6.7%
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%

Arizona Use Tax General Fund Collections

		Year-to-Year %		Year-to-Date		
		Collections (\$)	Change	Collections (\$)	Change	
FY 2016	↑	July 2015	24,622,847	3.9%	24,622,847	3.9%
		Aug 2015	22,022,588	-17.3%	46,645,435	-7.3%
		Sep 2015	28,693,187	17.3%	75,338,622	0.8%
		Oct 2015	23,728,706	-15.6%	99,067,328	-3.7%
		Nov 2015	26,167,390	9.1%	125,234,718	-1.3%
		Dec 2015	22,114,197	-0.3%	147,348,915	-1.1%
		Jan 2016	24,173,367	-4.1%	171,522,282	-1.6%
		Feb 2016	22,047,800	3.4%	193,570,082	-1.0%
		Mar 2016	22,534,763	6.6%	216,104,845	-0.3%
		Apr 2016	21,261,858	0.9%	237,366,703	-0.2%
		May 2016	24,657,632	10.2%	262,024,335	0.7%
		↓	June 2016	21,327,736	1.8%	283,352,071
FY 2017	↑	July 2016	25,897,373	5.2%	25,897,373	5.2%
		Aug 2016	20,601,846	-6.5%	46,499,220	-0.3%
		Sep 2016	22,740,511	-20.7%	69,239,731	-8.1%
		Oct 2016	29,687,843	25.1%	98,927,574	-0.1%
		Nov 2016	25,134,229	-3.9%	124,061,803	-0.9%
		Dec 2016	23,498,581	6.3%	147,560,384	0.1%
		Jan 2017	30,398,627	25.8%	177,959,011	3.8%
		Feb 2017	24,828,129	12.6%	202,787,140	4.8%
		Mar 2017	24,100,359	6.9%	226,887,499	5.0%
		Apr 2017	25,560,798	20.2%	252,448,296	6.4%
		May 2017	24,222,309	-1.8%	276,670,606	5.6%
		↓	June 2017	24,204,848	13.5%	300,875,454
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
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
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

Individual Income Tax

Corporate Income Tax

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 2014 to FY 2020, 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 (about \$34,200 for a family of 4).

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 41% of Insurance Premium Tax General Fund revenues in FY 2019. The revenue growth of 10.7% in FY 2014, 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 to 1.2% in FY 2017 and 0.9% in FY 2018 as Medicaid enrollment slowed. Revenue declined by (1.9)% in FY 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 2020. Revenue growth of this line in FY 2014 through FY 2016 was bolstered by increased health plan enrollment following the January 1, 2014 implementation of federal health exchanges and an individual mandate to have health insurance.

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 DOI, private passenger automobile insurance accounts for 90% of this line's premiums while insurance for commercial risks account for the remaining 10% of premiums. Strong growth in vehicle registrations in recent years has contributed to increased demand for vehicle insurance in the state, resulting in General Fund revenue growth in this line of 6.2% in FY 2016, 6.1% in FY 2017, 14.5% in FY 2018. Revenue growth slowed to 6.8% in FY 2019 and 3.8% in FY 2020. Collections from this line were 21% of Insurance Premium Tax General Fund revenues in FY 2020.

Other Property and Casualty: Consists of numerous types of property and casualty insurance that together were 12% of Insurance Premium Tax General Fund revenue in FY 2020. 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 8% of Insurance Premium Tax General Fund revenues in FY 2020.

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 2020.

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 2020.

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 slightly less than 2% of Insurance Premium Tax General Fund revenues in FY 2020.

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 2019 are listed in the table below.

FY 2020 Insurance Premium Tax Credits	
(\$ in millions)	
Credits:	Annual Cost
Private School Tuition Organization - Low Income Students ^{1/}	\$45.4
New Employment	8.0
Health Insurance Premium ^{2/}	4.0
Private School Tuition Organization - Disabled/Displaced Students ^{3/}	3.0
Insurance Guaranty Fund Assessment	<u>3.9</u>
Total Value of Credits	\$64.3
^{1/} Credit was capped at \$107.0 million in FY 2020 between corporate and insurance premium taxpayers.	
^{2/} Credit is capped at \$5.0 million annually.	
^{3/} Credits 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 2014</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>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	144.0	10.7%	178.1	23.7%	208.6	17.2%	211.1	1.2%	212.9	2.1%	225.5	5.9%	221.3	-1.9%
Accident and Health	82.3	3.1%	87.6	6.4%	103.7	18.4%	102.8	-0.9%	102.9	-0.8%	108.5	5.4%	110.7	2.0%
Vehicle <u>2/</u>	79.4	5.9%	84.3	6.2%	89.5	6.2%	95.0	6.1%	102.5	14.5%	109.5	6.8%	113.7	3.8%
Other Property and Casualty	56.0	6.0%	60.8	8.6%	60.2	-0.9%	60.6	0.7%	61.7	2.5%	62.5	1.3%	62.1	-0.6%
Life	39.2	1.2%	39.7	1.3%	43.7	10.2%	42.9	-1.8%	43.2	-1.1%	43.6	0.9%	43.6	0.0%
Surplus	11.1	13.6%	12.3	10.2%	11.6	-5.3%	15.5	33.6%	16.3	40.5%	18.5	13.5%	20.0	8.1%
Fire <u>3/</u>	2.2	8.2%	2.1	-1.4%	2.6	21.7%	1.3	-50.2%	0.9	-65.5%	0.7	-22.2%	0.8	14.3%
Retaliatory Payments	8.9	-16.0%	10.7	19.7%	6.9	-35.2%	9.2	33.3%	8.4	21.7%	10.3	22.6%	11.8	14.6%
Tax Credits	(18.6)	64.6%	(27.8)	49.5%	(33.5)	20.5%	(36.9)	10.1%	(42.1)	25.7%	(40.9)	-2.9%	(49.0)	19.8%
Cash Flow Adjustments <u>4/</u>	7.3	--	3.2	--	0.8	--	4.5	--	2.6	--	11.4	--	0.1	--
Total Fiscal Year Revenues <u>4/</u>	\$ 411.6	6.4%	\$ 450.7	9.5%	\$ 494.1	9.6%	\$ 506.0	2.4%	\$ 509.3	0.7%	\$ 549.6	7.9%	\$ 535.1	-2.6%

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 \$411.8 M in FY 2014, \$449.5 M in FY 2015, \$490.6 M in FY 2016, \$504.3 M in FY 2017, \$509.3 M in FY 2018, 549.8 M in FY 2019, and \$535.2 M in FY 2020.

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

Source: Department of Insurance and Financial Institutions

**Arizona Insurance Premium Tax
General Fund Collections**

		Insurance Premium Tax	Y/Y Chg.	Year-to-Date Revenue	YTD Chg.
FY 2016	July 2015	43,026,885	3.2%	43,026,885	3.2%
	Aug 2015	42,246,989	-2.5%	85,273,874	0.3%
	Sep 2015	43,520,598	-1.1%	128,794,471	-0.2%
	Oct 2015	9,936,474	838.4%	138,730,946	6.6%
	Nov 2015	48,839	-84.6%	138,779,785	6.4%
	Dec 2015	19,119,526	64.1%	157,899,311	11.1%
	Jan 2016	33,120,213	-2.2%	191,019,524	8.6%
	Feb 2016	2,067,262	-59.8%	193,086,786	6.6%
	Mar 2016	126,501,590	90.9%	319,588,376	29.2%
	Apr 2016	42,865,335	-38.3%	362,453,711	14.4%
	May 2016	40,845,608	-15.3%	403,299,319	10.5%
	June 2016	87,276,962	3.4%	490,576,281	9.1%
FY 2017	July 2016	24,616,949	-42.8%	24,616,949	-42.8%
	Aug 2016	73,883,134	74.9%	98,500,083	15.5%
	Sep 2016	50,081,084	15.1%	148,581,167	15.4%
	Oct 2016	4,077,218	-59.0%	152,658,385	10.0%
	Nov 2016	167,822	243.6%	152,826,207	10.1%
	Dec 2016	49,584,849	159.3%	202,411,056	28.2%
	Jan 2017	6,317,744	-80.9%	208,728,800	9.3%
	Feb 2017	9,962,221	381.9%	218,691,021	13.3%
	Mar 2017	118,587,704	-6.3%	337,278,726	5.5%
	Apr 2017	30,249,609	-29.4%	367,528,334	1.4%
	May 2017	41,421,304	1.4%	408,949,638	1.4%
	June 2017	95,389,654	9.3%	504,339,292	2.8%
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				
	May 2021				
	June 2021				

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 Administrator 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 Research Administrator 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.