

# 2

# Arizona

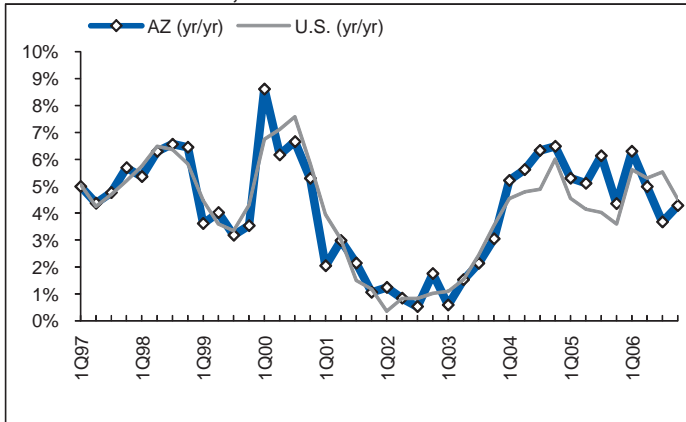
Economic Outlook Rank

**Economic Performance Rank 3 (1=best; 50=worst):** Based on the state's performance (equal-weighted average) in the three important performance variables shown below. These variables are highly influenced by state policy.

**Economic Outlook Rank (1=best; 50=worst):** A forward-looking forecast based on the state's standing (equal-weighted average) in the 16 important state policy variables shown below. Data reflect state+local rates and revenues and any effect of federal deductibility.

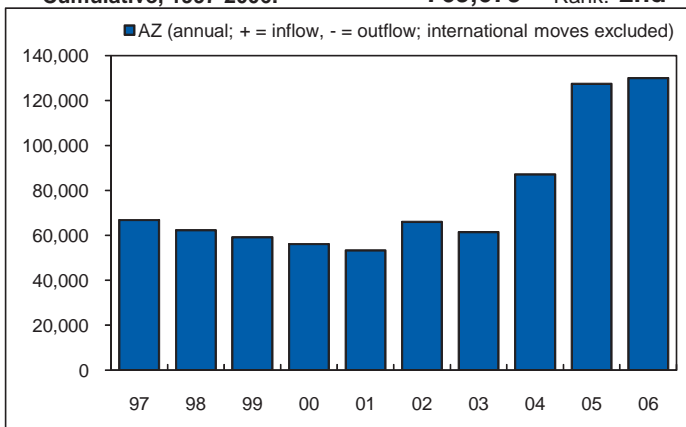
### 1) Personal Income Per Capita

Cumulative Growth, 1996-2006: **51.1%** Rank: **24th**



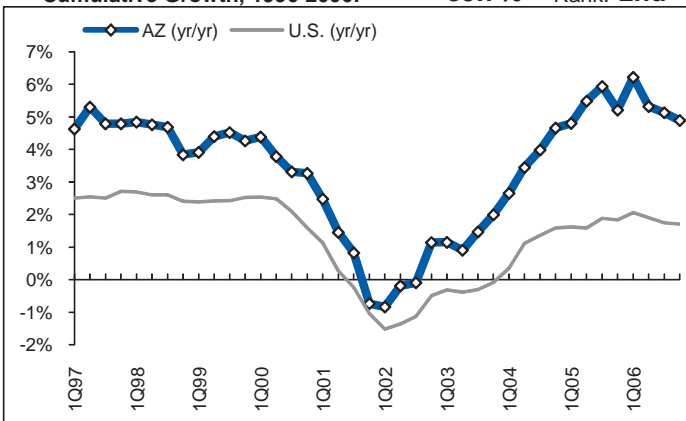
### 2) Absolute Domestic Migration,

Cumulative, 1997-2006: **769,679** Rank: **2nd**



### 3) Non-farm Payroll Employment

Cumulative Growth, 1996-2006: **39.7%** Rank: **2nd**



### 1) Top Marginal Personal Income

Tax Rate: **4.79%** Rank: **16th**

### 2) Top Marginal Corporate Income

Tax Rate: **6.97%** Rank: **23rd**

### 3) Personal Income Tax Progressivity:

(change in tax liability per \$1,000 income) **\$10.87** Rank: **33rd**

### 4) Property Tax Burden:

(per \$1,000 of personal income) **\$31.00** Rank: **24th**

### 5) Sales Tax Burden:

(per \$1,000 of personal income) **\$40.60** Rank: **45th**

### 6) Remaining Tax Burden:

(per \$1,000 of personal income) **\$15.06** Rank: **5th**

### 7) Estate/Inheritance Tax

Levied?: **No** Rank: **1st**

### 8) Recent Legislated Tax Changes:

(2005 and 2006, per \$1,000 of personal income) **-\$1.31** Rank: **9th**

### 9) Debt Service as a % of

Total Tax Revenue: **8.8%** Rank: **28th**

### 10) Public Employees Per 10,000

of Population (full-time equivalent): **462.3** Rank: **3rd**

### 11) State Liability System Survey:

(tort litigation treatment, judicial impartiality, etc.) **66.3** Rank: **14th**

### 12) State Minimum Wage:

(federal floor is \$5.85) **\$6.75** Rank: **34th**

### 13) Avg. Workers' Compensation Costs:

(per \$100 of payroll) **\$1.73** Rank: **6th**

### 14) Right-To-Work State?:

(optional joining or supporting of a union) **Yes** Rank: **1st**

### 15) Number of Tax Expenditure Limits:

(0=least/worst, 3=most/best) **2** Rank: **4th**

### 16) Education Freedom Index Score:

(vouchers, ease of private/home schooling, etc.) **2.94** Rank: **1st**