

FOREWORD

Since 1991, the U.S. and Arizona economies have had the good fortune of being perched atop the crest of an eight year long wave of growth and prosperity. A growing economy usually means growing tax collections, and this has been especially true in Arizona. Revenues have posted large gains, giving policymakers the flexibility to either cut taxes or increase spending. In order for the Arizona Legislature to make informed tax policy decisions, the JLBC Staff has written the 1999 Tax Handbook supplement. This book provides Legislators and the interested public with collection and distribution numbers for every tax levied by the state, as well as summaries of all tax law revisions enacted in the 1999 legislative session.

The 1999 legislative session saw the passage of numerous tax law changes. Included among these are several large conditional tax reductions. Known as the “triggered” tax cuts, their enactment is triggered by the collection of excess revenues in FY 1999. The taxes affected by the triggered cuts include the Mining Severance Tax, the Corporate Income Tax, the Property Tax, and the Vehicle License Tax. Detailed explanations of the specific tax cuts are provided in the relevant sections of this book.

The 1999 supplement to the Tax Handbook generally follows the format established in the previous supplement, with a few exceptions. This year’s book includes an “Overview of Arizona Taxes” section, which summarizes the Arizona tax system and graphically displays the sources of General Fund revenue. Other changes include a “Description” box at the top of each tax’s page that provides a brief summary of the tax, its base, and its rate.

As in previous years, the book’s chapters are organized by revenue category, and within each category the taxes are ordered from biggest to smallest. Finally, because fiscal year 1999 only recently ended, some of the FY 1999 revenue numbers are estimates.

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