

Fiscal Note

BILL # SB 1144

TITLE: jail facilities excise tax; extension

SPONSOR: Payne

STATUS: Senate Engrossed

PREPARED BY: Benjamin Newcomb

Description

The bill authorizes Maricopa County to levy jail facilities tax of no more than 4% of the state Transaction Privilege Tax (which equates to 0.2% tax) for up to 20 years if approved by the voters. Maricopa County is currently levying a 0.2% jail facilities tax, which is scheduled to expire in March 2027.

Estimated Impact

The bill would have no state fiscal impact.

If the existing 0.2% jail tax is allowed to expire in 2027, Maricopa County revenues are projected to decline by \$(323.9) million in FY 2028. If voters approve an extension at the 0.2% rate, Maricopa County would retain the \$323.9 million in FY 2028.

Analysis

According to the Department of Revenue's (DOR) most recent *Annual Report*, the Maricopa County jail excise tax generated \$279 million in revenues in FY 2024. Based on the January 2025 JLBC Baseline projected percent growth in TPT collections, the 0.2% jail tax would generate \$324 million in FY 2028.

3/5/25

