



NEWS RELEASE

Arizona House of Representatives
House Republican Majority Caucus
1700 West Washington • Phoenix, Arizona • 85007

Wednesday, April 29, 2026
FOR IMMEDIATE RELEASE

Arizona House Republicans Pass Budget Delivering Historic Tax Relief for Arizonans

Responsible, balanced plan cuts taxes, protects core services, and spends \$800 million less than Governor Hobbs' proposal

STATE CAPITOL, PHOENIX – The Arizona House today passed a state budget package that provides nearly \$1.5 billion in tax relief over the next three years, funds core state services, and spends about \$800 million less than Governor Katie Hobbs' proposal. The plan delivers targeted relief for workers, families, and retirees facing high costs and continued pressure on household budgets.

For Arizonans, that means bigger paychecks for workers, larger refunds for families, lower costs for parents raising children, and tax savings for retirees on fixed incomes. The budget eliminates state taxes on tips and overtime pay, expands relief for childcare expenses, increases the dependent tax credit, and provides additional tax relief for retirees and pension income.

The budget also fully funds K-12 education, public safety, child protection, and other essential responsibilities of state government while rejecting Governor Hobbs' push to raise taxes.

The package was developed over months of work by House and Senate Republicans and keeps spending well below the Governor's plan. Republicans continued working after [Governor Hobbs walked away from negotiations in March](#) and later imposed a moratorium on unrelated legislation.

“House Republicans did the hard work and passed a serious budget that puts Arizona families first,” said Speaker of the House Steve Montenegro. **“At a time when affordability is front and center at kitchen tables across this state, Republicans are fighting to help Arizonans keep more of their own money. Governor Hobbs' idea of affordability is raising taxes and growing government. Ours is cutting taxes, protecting core services, and giving workers, families, and retirees more breathing room. She walked away from negotiations, but Republicans kept working and passed a budget that spends hundreds of millions less than her plan while helping Arizonans keep more of what they earn.”**

“Families across Arizona are tightening their belts, and state government should do the same,” said House Majority Leader Michael Carbone. **“This budget proves we can fund the priorities Arizonans count on without asking them to pay more. It delivers real tax relief, controls spending, and rejects the idea that government should grow while families are being squeezed. House Republicans are standing with taxpayers, workers, parents, and retirees who deserve a budget that treats their money with respect.”**

Governor Hobbs will soon face a clear choice: sign a balanced plan that cuts taxes, funds core services, and includes priorities both sides have raised, or reject it in favor of higher taxes, bigger government, and more political delay. House Republicans have done their job. Now the Governor should sign the budget when it reaches her desk.

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