



# NEWS RELEASE

**Arizona House of Representatives  
House Republican Majority Caucus**

1700 West Washington • Phoenix, Arizona • 85007

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**FOR IMMEDIATE RELEASE**

## Arizona House Republicans Secure Major Budget Wins for Families and Taxpayers

*Republican Majority Plan delivers historic tax relief, slows spending growth, protects school choice, backs law enforcement, reforms welfare programs, and blocks Hobbs-backed tax hikes*

**STATE CAPITOL, PHOENIX** – Arizona House Republicans will pass a state budget this week that delivers major wins for families and taxpayers in divided government, including historic cost-of-living tax relief, protected school choice, funding for public safety and schools, smaller government, public assistance reforms, and the rejection of new taxes and fees pushed by Governor Katie Hobbs and legislative Democrats.

The budget follows the [House Republican Majority Plan](#) and turns key Republican priorities into law: lower taxes, responsible spending, stronger accountability in government programs, parental choice, and safer communities.

At the center of the Republican budget wins are \$1.43 billion in income tax relief over four years, including no state tax on tips or overtime, an increased standard deduction, an increased child tax credit, a new deduction for childcare expenses, and retirement deductions for seniors age 65 and older. Arizona will be the only state to enact full relief from federal tax conformity, and taxpayers will not need to refile to receive the benefit. For working families, parents, and seniors, the result is clear: less money taken by government and more money left for groceries, gas, childcare, housing, and other daily costs.

House Republicans also protected Arizona families from new taxes and fees sought by Governor Hobbs and legislative Democrats, including a new short-term rental tax, a 45 percent sports betting fee, and other proposed tax increases and revenue gimmicks.

After years of state budgets growing faster than population and inflation, Republicans have held budget growth to 3.1 percent, below the 3.9 percent combined change in population and inflation. By slowing the growth of government, the budget helps protect taxpayers now and reduces pressure for future tax hikes.

The budget agreement also delivers major reforms to public assistance programs, including semiannual Medicaid eligibility redeterminations, data matching, limits on presumptive eligibility, SNAP data sharing for eligibility determinations, redeterminations after changes in circumstances, and a prohibition on self-attestation for residency. These reforms protect taxpayers and help ensure benefits are reserved for those who are eligible under the law.

House Republicans also secured a 2.5 percent reduction in agency operating spending, eliminated 1,000 unfunded full-time positions, reformed the state employee health insurance program, and required the sale of 550,000 square feet of government-owned buildings. Those changes reduce overhead and require state agencies to operate with greater discipline.

For Arizona parents and students, the budget agreement fully funds the ESA program and supports K-12 education, protecting parents' ability to choose the best education for their children while continuing support for Arizona schools.

For public safety, the agreement continues the 4 percent correctional officer stipend, provides supplemental funding for DPS, and increases local border support for county sheriffs.

**“This is what Republican leadership looks like,”** said House Speaker Steve Montenegro. **“We took the Majority Plan to the voters, brought it to the negotiating table, and secured a budget agreement that reflects those priorities. Arizona families will keep more of what they earn. Parents will keep school choice. Public safety will be funded. Government will be smaller. Welfare programs will be held to basic standards, and Governor Hobbs’ push for higher taxes and bigger government was stopped.”**

**“Families are tired of politicians treating their paycheck like government property,”** Speaker Montenegro added. **“This budget gives money back to the people who earned it, blocks new taxes before they hit household budgets, brings spending growth under control, and makes state government live within its means. That is a major win for Arizona.”**

House Majority Leader Michael Carbone said the budget proves Republicans can govern, negotiate, and win without giving up conservative principles.

**“Republicans stood together and secured a better budget,”** said Majority Leader Carbone. **“Governor Hobbs and Democrats wanted higher taxes, new fees, bigger programs, and more spending. We said no. Instead, we secured one of the strongest tax relief packages in state history, protected school choice, funded public safety, and put limits on the growth of government.”**

**“This budget matters because it helps the people paying the bills,”** Carbone added. **“The worker earning overtime, the server earning tips, the family paying for childcare, the senior living on a retirement income, and the parent trying to choose the best school for their child all come out ahead.”**

House Majority Whip Julie Willoughby said the budget agreement keeps faith with Arizona families who sent Republicans to the Capitol to fight rising costs.

**“Arizonans are paying more for groceries, gas, housing, insurance, and childcare,”** said Majority Whip Willoughby. **“The last thing families need is state government taking more from them. This budget cuts taxes, blocks new fees, protects parents, and puts affordability first.”**

House Speaker Pro Tempore Neal Carter said the budget agreement brings needed discipline to state government while protecting core services.

**“Government has to fund core services, but it also has to answer to taxpayers,”** said Speaker Pro Tempore Carter. **“This budget brings spending growth below the combined rate of inflation and population growth, reduces agency operating costs, eliminates unfunded positions, and reforms public assistance eligibility. Republicans protected what matters while making government smaller and more disciplined. That is exactly what taxpayers deserve.”**

The [House Republican Majority Plan](#) focused on affordability, public safety, individual rights, school choice, fiscal discipline, and government accountability. This budget agreement puts those priorities into law and delivers results for the Arizonans House Republicans promised to fight for: families, parents, taxpayers, workers, seniors, students, and law enforcement.

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