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Democrats Secure Historic 3-Year Freeze on Data Center Tax Giveaways, Save Healthcare for 40,000 Arizonans, and Cut Taxes for Working Families

PHOENIX — In a first-in-the-nation move, Arizona House Democrats fought for and won a three-year suspension on new data center tax giveaways, the strongest such freeze in the country as part of a negotiated bipartisan budget plan announced today and that could be approved by Thursday.

“While Arizona families are struggling with the affordability crisis, billionaire-owned data centers should not be getting special tax treatment,” said House Democratic Leader **Oscar De Los Santos**, who, along with Assistant Democratic Leader **Nancy Gutierrez** and ranking Democratic Representative on Appropriations **Stephanie Stahl Hamilton**, led the House negotiation team.

“That’s why Democrats forced a historic freeze on data center giveaways and redirected this budget toward healthcare, food, public schools, and tax relief at a time when working families and those struggling to stay afloat need it the most,” De Los Santos added.

In May, Republicans passed a partisan budget that kicked off 40,000 Arizonans from their health insurance plans while protecting data center giveaways that are no longer necessary as the industry has proliferated. House Democrats forcefully fought back, and the final budget stops any new data center tax giveaways for the next three years and guarantees that no eligible Arizonan loses AHCCCS health coverage.

Additionally, the budget implements HB2531, the House Democrats’ Middle Class Tax Cuts Act, which eliminates taxes on tips and overtime, increases the standard deduction, and creates a new \$6,000 tax deduction for seniors 65+. And the plan extends free school meals for public school students and other food assistance programs for the next two years.

“Republicans tried to pass a budget that protected corporate giveaways and left working families behind,” said Gutierrez, House Democratic Assistant Leader and top Democrat on the Education Committee. “House Democrats stuck together and forced a better deal: one that feeds kids, supports public schools, lowers childcare costs, and protects health care.”

Highlights and other wins secured by Democrats in the FY 27 budget:

- Invests \$235 million in food assistance for families struggling to pay for groceries,
- Funds \$48 million to reduce childcare costs for working families,
- Provides \$66 million in critical support for public school textbooks, technology and transportation,
- Fully funds AHCCCS—stopping the Republican plan to slash \$32 million from the agency—and invests millions to mitigate against the worst effects of Trump's HR1,
- Guarantees two years of free school meals for students from working families,
- Blocks Donald Trump’s school privatization plan and cuts \$25 million from Arizona’s corporate STO program,
- Authorizes millions in legal aid to working families facing eviction,
- Expands access to healthcare for indigenous Arizonans,
- Supports Meals on Wheels and other programs for seniors, including an emphasis on Tribal communities,
- Provides millions in emergency funding for Gila and Mohave counties to recover from catastrophic flooding after the Trump administration denied federal disaster aid,
- Protects local businesses in southern Arizona after Republicans tried to defund the successful Rio Nuevo tax increment funded economic development district.

“No budget is perfect, but because House Democrats fought hard, and this budget delivers relief for working families instead of writing another blank check to corporations,” said Stahl Hamilton, the ranking Democrat on House Appropriations and a key negotiator for the plan. “The amount of damage that the Republican-only budget passed in May would have done to our economy is hard to calculate, but saving Rio Nuevo and programs that help our most vulnerable is huge for building an Arizona we can afford.”