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# MEMORANDUM

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Date: August 27, 2015

To: The Honorable Chair and Members  
Pima County Board of Supervisors

From: C.H. Huckelberry  
County Administrator

A handwritten signature in black ink, appearing to read "C.H. Huckelberry", is written over the typed name and title.

Re: **Total County Taxes Per Capita**

As you know, Pima County is often criticized for having the highest property tax rate in the State. This criticism is shortsighted and based on limited information.

I have previously reported to the Board of Supervisors on sales taxes that other counties use to offset their operating and maintenance costs associated with county programs and functions. Pima County has no such sales tax to offset our property tax levy or property tax rate. Even Maricopa County has a sales tax to support their jail. This year, Maricopa County has budgeted \$146 million in sales tax to support their detention system or jail. Pima County pays for operating the Pima County Adult Detention Center from our General Fund through a property tax.

I have also provided the Board an analysis that would normalize the property tax rates between Pima and Maricopa Counties. If we considered ourselves comparable with Maricopa County, a normalized property tax rate would reduce our primary property tax from \$4.27 in Fiscal Year (FY) 2014/15 to \$1.96. While these are academic analyses that justify our tax differences, a much more important and practical analysis is available based on actual taxes levied within each county. This data is available in the *Arizona Department of Revenue: 2014 Annual Report*. While these reports are produced independently, it paints a clear picture of local taxation: property taxes and sales or excise taxes. When all types of taxes are taken together, they factually confirm that Pima County is not the highest local taxed county in the State. In fact, we levy total taxes near the average of all Arizona counties, which is \$1,467.78.

The attached table is a synthesis of the FY 2013/14 data from the Arizona Department of Revenue (ADOR) report (the most current statewide data available from ADOR). It shows by county the total property, sales and excise taxation. It divides total taxation by population to obtain a per capita measure of tax burden. When examining the data for all 15 counties in Arizona, Pima County ranks fifth in total tax burden. More importantly, this analysis debunks the myth that Maricopa County residents pay far less in taxes than Pima County residents. The analysis of property and sales taxes shows that Maricopa County residents pay \$1,589.50 per person, while in Pima County it is \$1,462.54 per person. Hence, Maricopa County residents pay more in taxes than our residents.

The Honorable Chair and Members, Pima County Board of Supervisors  
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Further comparison of the total property and sales tax burdens of the other 14 counties in Arizona shows that our tax burden is at the statewide average. While we acknowledge our property taxes are high, our total tax burden is still near or slightly below the statewide average of \$1,467.78.

A simple way to significantly reduce our property taxes would be to allow Pima County to levy sales or excise taxes as all other counties in Arizona do to offset their General Fund expenses.

CHH/mjk

Attachment

c: Hank Atha, Deputy County Administrator for Community and Economic Development  
John Bernal, Deputy County Administrator for Public Works  
Tom Burke, Deputy County Administrator for Administration  
Jan Leshar, Deputy County Administrator for Health and Community Services  
Keith Dommer, Director, Finance and Risk Management  
Robert Johnson, Budget Manager, Finance and Risk Management  
Craig Horn, Financial Project Coordinator, Finance and Risk Management

PER CAPITA PROPERTY TAXES AND SALES TAXES BY COUNTY - FISCAL YEAR 2013/14

County	Tax Year 2013		Tax Year 2013		Total 2013 Property Tax	County		Municipal		Non-Program Municipal		Total		Total of		July 1 2013		Per Capita	
	Primary Tax	Secondary Tax	Primary Tax	Secondary Tax		Sales Taxes	Sales Taxes	Sales Taxes	Sales Taxes	Sales Taxes	Sales Taxes	Property Taxes and Sales Taxes	Property Taxes and Sales Taxes	Population	Property Taxes and Sales Taxes	Property Taxes and Sales Taxes	Per Capita Rank		
Apache	\$ 14,532,853	\$ 14,408,728	\$ 28,941,581	\$ 1,308,856	\$ 3,303,193	\$ -	\$ -	\$ 4,612,049	\$ 33,553,630	\$ 72,180	\$ 464.86	15							
Cochise	\$ 95,713,789	\$ 18,770,504	\$ 114,484,293	\$ 6,928,647	\$ 22,770,906	\$ 7,631,015	\$ 37,390,568	\$ 151,814,861	\$ 130,906	\$ 1,159.72	10								
Coconino	\$ 87,827,021	\$ 51,562,327	\$ 139,389,348	\$ 27,547,982	\$ 15,353,753	\$ 30,771,485	\$ 73,673,220	\$ 213,062,568	\$ 135,693	\$ 1,570.16	4								
Gila	\$ 45,702,679	\$ 13,560,026	\$ 59,262,705	\$ 6,176,499	\$ 12,644,159	\$ -	\$ 18,820,658	\$ 78,083,363	\$ 53,670	\$ 1,454.88	6								
Graham	\$ 19,643,643	\$ 3,527,960	\$ 23,171,603	\$ 2,130,788	\$ 10,222,937	\$ -	\$ 12,353,725	\$ 35,525,328	\$ 37,872	\$ 988.04	14								
Greenlee	\$ 12,066,196	\$ 2,424,190	\$ 14,487,386	\$ 2,345,102	\$ 993,229	\$ -	\$ 3,338,331	\$ 17,825,717	\$ 10,913	\$ 1,633.44	1								
La Paz	\$ 14,853,580	\$ 6,972,772	\$ 21,826,352	\$ 4,545,862	\$ 2,425,541	\$ -	\$ 6,971,403	\$ 28,797,755	\$ 20,979	\$ 1,372.69	7								
Maricopa	\$ 2,616,675,248	\$ 1,378,504,131	\$ 3,995,179,379	\$ 530,170,547	\$ 248,933,099	\$ 1,495,087,180	\$ 2,275,190,826	\$ 6,270,370,205	\$ 3,944,859	\$ 1,589.50	3								
Mohave	\$ 139,548,680	\$ 55,228,177	\$ 195,776,857	\$ 6,263,993	\$ 33,291,978	\$ 10,820,754	\$ 50,376,725	\$ 244,153,582	\$ 203,592	\$ 1,199.23	9								
Navajo	\$ 57,433,621	\$ 32,547,182	\$ 89,980,803	\$ 6,667,433	\$ 24,698,436	\$ -	\$ 31,365,869	\$ 121,346,672	\$ 108,694	\$ 1,116.41	11								
Pima	\$ 789,890,784	\$ 340,220,841	\$ 1,130,111,625	\$ 80,192,278	\$ 49,964,190	\$ 195,486,876	\$ 326,643,344	\$ 1,456,754,969	\$ 996,046	\$ 1,462.54	5								
Pinal	\$ 228,395,587	\$ 85,026,356	\$ 313,421,943	\$ 30,418,501	\$ 45,295,596	\$ 10,962,018	\$ 86,677,115	\$ 400,099,058	\$ 393,813	\$ 1,015.96	12								
Santa Cruz	\$ 31,518,543	\$ 12,009,103	\$ 43,527,646	\$ 5,370,163	\$ 209,503	\$ 10,046,503	\$ 15,626,169	\$ 59,153,815	\$ 49,218	\$ 1,201.87	8								
Yavapai	\$ 180,458,301	\$ 68,519,503	\$ 248,977,804	\$ 21,218,572	\$ 35,157,837	\$ 37,000,277	\$ 98,376,686	\$ 342,354,490	\$ 213,294	\$ 1,605.08	2								
Yuma	\$ 109,055,339	\$ 30,188,246	\$ 139,243,585	\$ 25,949,561	\$ 41,459,946	\$ -	\$ 67,409,507	\$ 206,653,092	\$ 209,323	\$ 987.25	13								
Statewide Total	\$ 4,442,315,864	\$ 2,113,467,046	\$ 6,555,782,910	\$ 757,234,784	\$ 546,725,303	\$ 1,799,806,108	\$ 3,103,766,195	\$ 9,659,549,105	\$ 6,581,054										

Statewide Average per Capita Property and Sales Taxes: \$ 1,467.78