



Ducey ranked among most fiscally responsible governors in nation

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November 1, 2022

A new report released by the CATO Institute ranking American governors according to their fiscal performance gave Arizona Gov. Doug Ducey an “A.” Only four other governors earned an A. Arizona’s passage of the lowest flat personal income tax rate in the nation in addition to the increase of the Rainy Day Fund under Ducey’s leadership contributed to his high marks.

The other governors receiving an A rating were Kim Reynolds of Iowa, Chris Sununu of New Hampshire, Pete Ricketts of Nebraska, and Brad Little of Idaho.

Arizona’s economy was damaged by the pandemic, but it quickly recovered as a result of tax reforms and wise budgeting implemented by the Ducey administration, according to the report.

Historic tax reform

The historic 2.5% flat tax that Ducey and legislative Republicans spearheaded was supposed to take effect in January 2024, but due to the state economy’s robust performance, the new rate will now take effect in January 2023.

In a September 29 letter to Arizona Department of Revenue Director Robert Woods, Ducey said that an influx of workers, a \$1 billion-plus Rainy Day Fund balance, and wise budget management, has enabled the state government to transition to the new rate earlier than expected.

“It’s time to deliver lasting tax relief to Arizona families and small businesses so they can keep more of their hard-earned money,” the governor wrote.

Ducey was one of 16 governors in 2021 and 2022 to sign into law reductions to top individual income tax rates.

Ducey and the Legislature also reduced the commercial property tax assessment ratio, helping to ensure the state’s continued economic competitiveness and reducing the disparity in the property tax burdens borne by commercial property taxpayers versus homeowners.

Americans have taken notice, vaulting Arizona into the ranks of states with high rates of inbound migration.

Rich States Poor States, an annual publication by the American Legislative Exchange Council that examines the latest movements in states' economic growth and competition, ranks Arizona 3rd in 2022 compared to 13th in the year 2021.

Ducey has focused on pursuing growth and responsible spending throughout his eight years in office. The FY 2023 budget, which he signed into law in June, appropriated additional funds for K-12 education, investments in water conservation and augmentation, and public safety.