

ECONOMIC ESTIMATES COMMISSION

Department of Revenue Building



January 13, 2025

Katie Hobbs
Governor

The Honorable Katie Hobbs
Governor, State of Arizona
1700 West Washington
Phoenix, AZ 85007

Neeraj Deshpande
Chairman

Elliott D. Pollack
Member

The Honorable Warren Petersen
President, Arizona State Senate
1700 West Washington, Senate Wing
Phoenix, AZ 85007

Michael Niemira
Member

The Honorable Steve Montenegro
Speaker, Arizona House of Representatives
1700 West Washington, House Wing
Phoenix, AZ 85007

Dear Governor Hobbs, President Petersen, and Speaker Montenegro:

Pursuant to A.R.S. § 41-562, the Economic Estimates Commission is submitting its second estimate of total personal income for fiscal year 2025/26 and providing the estimated maximum amount available for legislative appropriations from state revenues for the fiscal year imposed by Article IX, Section 17 of the Arizona Constitution.

The Commission's second estimate of Arizona personal income for fiscal year 2025/26 is \$531.5 billion, a 5.4% increase over the revised fiscal year 2024/25 estimate of \$504.4 billion. Correspondingly, the estimated per capita personal income for fiscal year 2025/26 is \$68,449, a 4.08% change over the revised fiscal year 2024/25 of \$65,766.

Based on this estimate, the maximum amount available for legislative appropriations from state revenues for fiscal year 2025/26 is \$39.4 billion. The limitation is calculated using the current appropriation limit percentage of 7.41% as the multiplier against personal income.

Sincerely,

ECONOMIC ESTIMATES COMMISSION

David Kryskowski, Senior Economist

cc: The Honorable John Kavanagh, Chairman
Senate Appropriations Committee
The Honorable David Livingston, Chairman
House Appropriations Committee