Tax Cuts and Jobs Act: Arizona

In Arizona today, the Hispanic population numbers more than 2 million, about one out of every three people.¹ The Arizona Hispanic community’s size, work ethic, and resilience have contributed to the national economic resurgence following the Great Recession.² Nevertheless, a considerable portion of Latinos continue to lag behind, struggling to put food on their tables and a roof over their heads. In 2015, about 23% of Latinos in Arizona were living in poverty, compared to 16% of Arizonans overall.³

Instead of helping Arizonans working hard and struggling to make ends meet, the new tax law, the Tax Cuts and Jobs Act (TCJA), provides a massive tax cut for the richest Americans and largest corporations while providing little help to working Arizonan families. Under the TCJA:

- In 2019, an estimated 89% of Latino taxpayers (more than 1.1 million) will get an average tax cut of $331.32. This is compared to the average tax cut of $54,250 for Arizona’s richest 1%.⁴
• More than 60,000 low-income Latinos will receive zero benefit from the non-refundable expanded Child Tax Credit.  

• One out of five Latinos (almost 500,000) will lose an average annual deduction of more than $4,000 from the reduction of state and local tax deductions.  

• By 2027, more than 1.6 million Latinos will see their taxes go up, by an average of $253 per year, due to expiration of the law’s individual tax provisions, the repeal of the Affordable Care Act’s individual mandate, and from using chained CPI to measure inflation.  
  o Three-quarters of Latinos facing a tax increase (more than 1.2 million) have incomes of less than $50,000 per year.

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8 Ibid.