ARIZONA’S ADVANTAGES
Arizona, the Grand Canyon State, is known for its breathtaking beauty and limitless sunshine, as well as its emerging technology, surging talent pools and wealth of knowledge. The state’s pro-business environment has made it the best place in the nation for next-gen transformations. With a strong culture of innovation, lean regulatory environment and affordable operating costs, Arizona provides the perfect platform for businesses to grow and develop breakthroughs shaping the future.
Dynamic and abundant, Arizona’s talent is young, highly skilled and ready to work. The state’s population is rapidly growing, bringing in diverse talent that is educated and hungry for success.

“In the game of states, people vote with their feet—and Arizona is winning.”

- Arizona Governor Doug Ducey

#1
STATE FOR INBOUND MIGRATION
American Enterprise Institute, 2019

#1
COUNTY FOR POPULATION GROWTH
MARICOPA COUNTY
U.S. Census Bureau, 2019

#3
FASTEST-GROWING STATE IN THE U.S.
U.S. Census Bureau, 2019

#5
FASTEST POPULATION GROWTH OVER A 5 YEAR PERIOD AGES 20-34
Emsi, 2020
People from around the country flock to Arizona for its boundless opportunity and stay for its unmatched quality of life. Nearly a quarter of a million people from 15 states moved to and stayed in Arizona in one year.
As Arizona’s population soars, the state is flooded with young, high-quality workers at competitive wages. The Arizona median wage is less than the national average, making a significant difference in your company’s operating costs.

### Arizona Employment and Wages

<table>
<thead>
<tr>
<th>OCCUPATIONS</th>
<th>EMPLOYMENT</th>
<th>MEDIAN WAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Occupations</td>
<td>2,866,820</td>
<td>$38,410</td>
</tr>
<tr>
<td>Management</td>
<td>169,310</td>
<td>$93,560</td>
</tr>
<tr>
<td>Business and Financial Operations</td>
<td>166,190</td>
<td>$63,020</td>
</tr>
<tr>
<td>Computer and Mathematical</td>
<td>97,920</td>
<td>$82,510</td>
</tr>
<tr>
<td>Architecture and Engineering</td>
<td>51,730</td>
<td>$76,470</td>
</tr>
<tr>
<td>Sales and Related</td>
<td>286,680</td>
<td>$28,890</td>
</tr>
<tr>
<td>Office and Administrative Support</td>
<td>438,330</td>
<td>$36,540</td>
</tr>
<tr>
<td>Production</td>
<td>108,520</td>
<td>$34,950</td>
</tr>
<tr>
<td>Transportation and Material Moving</td>
<td>227,680</td>
<td>$31,320</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics, 2019
Arizona is home to a world-renowned university system and one of the country’s largest community college systems, as well as many top-rated elementary and high schools. The trio of state universities, plus community colleges and private colleges and universities, are committed to preparing students for promising futures in leading industries.
Arizona’s diverse and innovative education system prepares tomorrow’s workforce and gives Arizonans more choices when it comes to educating their children. The Arizona system includes magnet schools for the arts, STEM and other specialties, as well as premier public and private schools.

**PREMIER K-12 EDUCATION**

**IN ARIZONA**

7 of the top 50 U.S. High Schools

6 of the top 10 U.S. Charter High Schools

#1 Charter High School in the Country

BASIS Chandler

Located in the Phoenix Metro Area

U.S. News & World Report, 2020
Under Governor Ducey’s leadership, Arizona acts as a partner in business success, not a barrier. While the state’s population is surging, the size of the government is shrinking. Arizona is on a blitz to wipe out needless regulations, tax-hiking trends and crippling costs, offering a pro-business environment where your company can succeed.

**TOP 3 FOR ECONOMIC MOMENTUM**
*State Policy Reports, 2020*

**TOP 10 BEST STATE FOR BUSINESS**
*U.S. News & World Report, 2019*

**TOP 10 OVERALL FREEDOM FROM REGULATION**
*Cato Institute, 2019*

**GOVERNOR DOUG DUCEY ELIMINATED OR IMPROVED 2,200+ REGULATORY BURDENS, THE EQUIVALENT TO A $134 MILLION TAX CUT**
Arizona has bucked tax-hiking trends to drive job creation, research and development, and facilities construction and expansion. Businesses with multi-state operations appreciate the transition to a 100 percent sales factor income appointment formula, which was phased-in completely in 2017.

**6TH LOWEST CORPORATE TAX RATE IN THE U.S.**
*Tax Foundation, 2020*

**NO**
- FRANCHISE TAX
- INVENTORY TAX
- ESTATE TAX
- GROSS RECEIPTS TAX

**PHOENIX TAX RATES**

<table>
<thead>
<tr>
<th>Tax Category</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Income Tax Rate</td>
<td>4.90%</td>
</tr>
<tr>
<td>Effective Industrial Property Tax Rate</td>
<td>2.16%</td>
</tr>
<tr>
<td>Effective Commercial Property Tax Rate</td>
<td>2.57%</td>
</tr>
<tr>
<td>Workers’ Compensation Costs Per $100 of Covered Wages</td>
<td>$0.88</td>
</tr>
<tr>
<td>Unemployment Insurance Per Employee (Avg. Rate Multiplied by Taxable Wages)</td>
<td>$121</td>
</tr>
<tr>
<td>Average Sales and Local Tax Rate</td>
<td>8.40%</td>
</tr>
</tbody>
</table>
The state’s focus on business is simple: keep regulation low and taxes light. This makes Arizona a very affordable place to start, grow and scale a business. The ACA’s targeted financial programs are an added benefit.

**Qualified Facility**
Offers refundable income tax credits up to $20,000 per qualifying net new job to eligible manufacturing companies that invest in one or more qualifying facilities.

**Quality Jobs**
The Quality Jobs tax credit offers Arizona income or premium tax credits spread over a three-year period for each net new quality job.

**Job Training**
Job Training grants reimburse up to 75% of eligible training expenses for employers creating new jobs.

**Sales Tax Exemptions for Manufacturing**
The Sales Tax Exemption for Machinery and Equipment is a sales tax exemption for various machinery or equipment.

**Computer Data Center Program**
CDC provides Transaction Privilege Tax and Use Tax exemptions at the state, county and local levels, on qualifying purchases of CDC Equipment.

**Military Reuse Zone**
Provides property tax exemptions and Transaction Privilege Tax (sales tax) exemptions to qualifying projects located in an MRZ.

**Additional Depreciation**
Accelerates depreciation schedules for prospective acquisitions of commercial personal property.

**Research & Development**
The R&D tax credit provides an Arizona income tax credit for increased research and development activities conducted in this state.

**Lease Excise**
Lease Excise is a redevelopment tool to initiate development by reducing a project’s operating costs by replacing the real property tax with an excise tax.
Arizona’s southwest location provides access to major regional and international growth markets and supports a robust, healthy and easily accessible supply chain.

ACCESS TO WORLD MARKETS

85 million consumers
AND
3 of the world’s largest economies
ALL WITHIN A DAY’S DRIVE

6 PORTS OF ENTRY WITH MEXICO
1st INTERNATIONAL AIR CARGO HUB TO HOUSE BOTH MEXICAN AND UNITED STATES CUSTOMS
2,000-mile FREIGHT SYSTEM ACROSS THE STATE
With a modern infrastructure, master-planned transportation network and an international airport, Arizona companies benefit from trade with various leading industries. Arizonans are also able to fly almost anywhere, should they want to explore the world outside their home oasis.

**PHOENIX SKY HARBOR OFFERS MORE THAN**

- **120** destinations + **1,200** flights serving **120K** passengers & moving **800** tons of air cargo EVERY DAY

- **130,000** MILES OF HIGHWAY
- **40** PUBLIC TRANSIT SYSTEMS
- **TOP 10** STATE FOR TRANSPORTATION

- U.S. News & World Report, 2020

Arizona’s business climate remains unweathered in part due to the state’s lack of natural disasters. Companies do not need to worry about a delay in operations or property damage from weather conditions. Without earthquakes, hurricanes, blizzards and tornadoes, Arizona is an ideal location for businesses that require employees and market access to be available consistently throughout the year.
Arizonans know that living in a place where people dream about vacationing is something to brag about. Whether hiking, biking, boating or skiing is your thing, it’s all here. The state’s culture is vibrant, represented by people from across the globe. Arizona’s diverse population is united by a pioneering spirit, Southwest heritage and modern vision.
FREEDOM TO ENJOY YOUR FREE TIME

With modest commutes and a lower cost of living than many other parts of the country, Phoenix metro residents find the perfect balance that makes life better here.

#2
MOST AFFORDABLE STATE
Senior List, 2019

101.6
PHOENIX METRO AREA COST OF LIVING
100 NATIONAL AVERAGE
C2ER Cost of Living Index, 2020

$287,100
MEDIAN PHOENIX AREA SINGLE-FAMILY HOME
National Association of Realtors, 2019

20
HOSPITALS IN PHOENIX ACHIEVE A HIGH PERFORMING RANKING IN AT LEAST ONE SPECIALTY
U.S. News & World Report, 2020
WELCOME TO WHAT’S NEXT

The Arizona Commerce Authority’s team of experts will provide a suite of comprehensive services to make it easy to access resources and strategic partners around the state. This tailored service ensures you have all the information you need to support your company’s growth.

SANDRA WATSON
President and CEO
SandraW@AZcommerce.com
602.845.1215

Sandra Watson brings more than 28 years of economic development leadership experience to Arizona. Ms. Watson began her career in Canada and brings not only a wealth of knowledge on the regional, state and national levels but can execute effectively on an international scale. She and her team of experts have successfully attracted more than 1,000 companies to Arizona that have committed to invest nearly $15 billion in capital and create more than 160,000 jobs.