

GOVERNOR KATIE HOBBS

STATE OF ARIZONA

★

EXECUTIVE ORDER

Executive Order 2025-15
Cutting Taxes for Hard-Working Arizonans

WHEREAS, in July of 2025, the 119th Congress of the United States passed Public Law No. 119-21 (“**H.R.1**”), which reduces taxes for the top one percent of United States taxpayers by \$1 trillion over the next decade while simultaneously decreasing funding for vital benefits like Medicaid and SNAP by \$1 trillion over the same period; and

WHEREAS, most Arizonans will not benefit from H.R. 1’s tax cuts for the top one percent but could benefit from other forms of tax relief in the law; and

WHEREAS, providing tax relief to middle class Arizonans is possible without harming the vital healthcare and nutrition programs upon which many of those same Arizonans rely; and

WHEREAS, middle class Arizonans are struggling with rising costs due to the harmful policies of Washington, DC politicians; and

WHEREAS, the most consequential relief in H.R. 1 for most Arizonans is a higher standard deduction for tax year 2025 and State tax law does not currently conform to this change for tax year 2025; and

WHEREAS, in addition to a higher standard deduction, many Arizonans could also benefit if the State’s tax laws were changed to conform to certain measures in H.R. 1 including (i) an additional deduction of \$6,000 for Arizonans aged 65 and older, (ii) deduction of qualifying tip income; (iii) deduction of qualifying overtime income; and (iv) deduction of qualifying car loan interest; (items i-iv referred to herein collectively as the “**Middle Class Tax Cuts Package**”) and such changes are advisable; and

WHEREAS, the Arizona Department of Revenue (the “**Department**”) is the State authority responsible for administering tax collections in a method that is efficient, user-friendly, and people-centered; and

WHEREAS, the Department must have all official forms, templates and documents for tax year 2025 finalized and distributed by December, 2025; and

WHEREAS, forms, templates and documents that contemplate State tax changes that are likely to occur in the upcoming legislative session are vital to ensure that middle class Arizonans are able to keep more of their hard-earned dollars when they file their 2025 taxes in the Spring of 2026; and

WHEREAS, Arizona’s Fifty Seventh Legislature, Second Regular Session, will not convene until January 12, 2026; and

WHEREAS, failing to update the forms in a timely manner would result in both Arizona taxpayers and the Department conducting costly rework, may result in large numbers of Arizonans having to file amended returns, and could create unnecessary administrative burden.

NOW, THEREFORE, I, Katie Hobbs, Governor of the State of Arizona, by virtue of the authority vested in me by the Arizona Constitution and the laws of this State, do hereby order and direct as follows:

1. The Department shall update the State's tax forms to include the higher standard deduction for both individuals and joint filers as contemplated in H.R.1 by the 119th Congress of the United States of America.
2. In its online instructions for tax filers, the Department shall include prospective instructions for how filers might take advantage of the Middle Class Tax Cuts Package via the "other" deductions line on applicable tax forms if and when the Arizona Legislature adopts the Middle Class Tax Cuts Package as prescribed by this Executive Order.
3. This Executive Order shall not confer any legal rights or remedies upon any person and shall not be used as a basis for legal challenges to any action or inaction of a State agency, officer, employee, or agent thereof.
4. If any provision of this Executive Order or its application to any person or circumstance is held invalid by any court of competent jurisdiction, such invalidity does not affect any other provision or application of this Executive Order that can be given effect without the invalid provision or application. To achieve this purpose, the provisions of this Executive Order are declared to be severable.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Arizona.



GOVERNOR

DONE at the Capitol in Phoenix on this Twentieth day of November in the year Two Thousand Twenty-Five and of the Independence of the United States of America the Two Hundred and Fiftieth.

ATTEST:

For SECRETARY OF STATE