

**Proposition I-02-2024  
One Fair Wage Act  
Fiscal Analysis**

Arizona's minimum wage is currently adjusted each year for the increase in the cost of living. Proposition I-02-2024 would further raise the state's current hourly minimum wage by an additional \$1.00 in 2025 and by another \$1.00 in 2026. The proposition would also phase out the current allowance in the minimum wage for tipped employees.

The initiative's provisions may have an economic impact on state and local revenue collections and state and local spending. By increasing wages and business costs, the proposition may affect individual income tax, corporate income tax and sales tax collections. In addition, the initiative's provisions may affect participation in, and the cost of, public assistance programs. The proposition may also affect the cost of state contracts with vendors if the vendors employ minimum wage workers. The impacts of the proposition on either state and local revenues or state and local spending cannot be determined in advance.

7/18/24