

DOLLARS & CENTS – WILL IT COST ME TO JOIN THE CITY?



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When you become a resident of the City of Tucson, you receive a number of valuable, high quality benefits and services for about what you pay to live in unincorporated Pima County. Surprisingly, annexation saves many property owners money. This is because City property tax is low and is offset by no longer paying for emergency fire services. The money you will save each year will usually be about equal to the added costs of becoming a City resident. That makes annexation a win-win situation for both you and the City of Tucson. If you would like to see if becoming part of the City of Tucson would save you money, try our [annexation cost benefit calculator](#).

The Costs/Savings of Annexation*

When an area is annexed into the City, the area will become responsible for paying new taxes that it had not been subject to before. What many residential and commercial property owners don't realize is that the City's property tax rates are rather low. When they calculate out what the difference is between what they currently pay and what they would pay as a City resident, they find that they pay more now for comparable services.

City residents pay taxes involved on property, utilities, and phone service and also pay fees for garbage/recycling/brush & bulky collection and cable. Most often, these new charges are offset by the savings.

To find out what annexation could cost/save you, use our [annexation cost benefit calculator](#) or print out a blank worksheet. Another option is to click on the links below for examples of homeowners' worksheets.

*** NOTE: The calculator does not factor in taxes related to commercial/business properties. If you are a commercial property/business owner, click [here](#) for more information.**

[SAMPLE FIRE DISTRICT](#) – 1,900-square foot home valued at \$180,900 and served by Northwest Fire District

[RURAL/METRO](#) – 2,600-square foot home valued at \$300,000 and served by Rural/Metro Fire Company

State Shared Revenues

One of the important reasons the City annexes is because of State Shared Revenues. The State of Arizona collects several taxes that it shares annually with cities and towns throughout the state. These tax revenues include State Income Tax, State Sales Tax, Highway Users Revenue Fund (HURF), Vehicle License Tax (VLT) and the Local Transportation Assistance Fund (LTAF). The monies returned to communities are done so in order to allow the community to decide how to use them. This means that

the monies can be spent on important community services such as public safety, libraries, streets and courts.

State Shared Revenues are important sources of revenue to cities and towns. In some cities in Arizona, they can make up as much as 40% of a city's budget revenues. As the pie chart below illustrates, these dollars accounted for 28% of Tucson's revenues for Fiscal Year 2005. In stark contrast, only 2% of the City's revenue comes from primary property taxes collected. (Visit the City's [Budget & Research web site](#) for more budget information.)

FY 2005 General Purpose Funds Revenues

