Memorandum

Finance and Technology Department

Tempe

Date: January 18, 2013

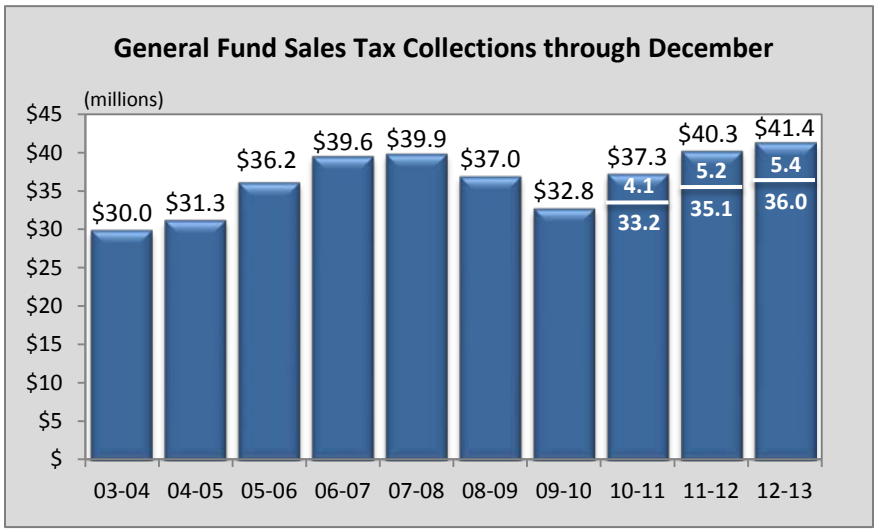
To: Mayor and Council

From: Ken Jones, Finance and Technology Director (350-8504)

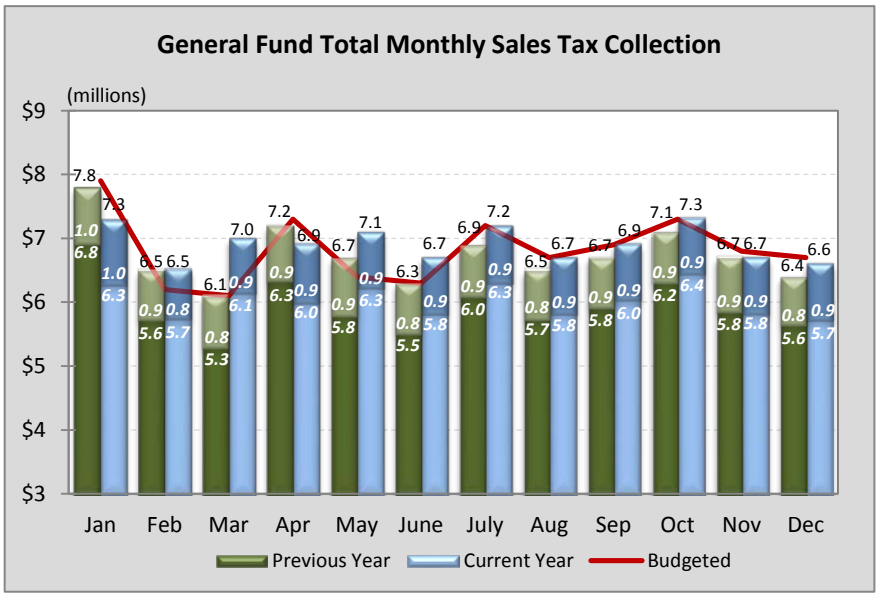
Subject: Tax Revenue Statistical Report – **December 2012**

Attached is the Executive Summary of the Tax Revenue Statistical Report for December 2012 covering November sales activity reported to our Tax and License Division in December.

The graph to the right depicts year-to-date General Fund historical privilege tax revenue from FY 2003-04 through FY 2012-13. General Fund Sales Tax revenue collected for 2012-13 is up 2.8% from the same period in the prior fiscal year. In terms of actual dollars received ($41.4 million), we are $1.1 million ahead of last fiscal year ($40.3 million). Of the total amount collected through December, $5.4 million was from the temporary sales tax, which expires in June 2014. The leading category of growth in terms of dollars received was Retail, which grew by 4.7%. Gains were partially offset by an 8.5% decline in Contracting sales tax collections through December.



The graph to the right represents twelve months of activity, comparing current year General Fund monthly sales tax collections to the previous year. Current and previous years' collections are broken into two components: the 1.2% permanent tax and the 0.2% temporary tax.



Though sales taxes are not budgeted on a monthly basis, it is possible to apply historical collection percentages to the annual budget number to gain insight into sales tax performance. Using this approach, sales tax collections are 0.6%, or $235 thousand below forecast through December.

It is worth noting that the numbers reflected in these graphs and the supporting tables represent collections from economic activity but exclude the impact of large audit assessments by the Tax and License Division. For the first six months of the year audit assessments generated approximately $219 thousand in additional General Fund Revenue.

Executive Summary

	Current Month -December								Fiscal Year to Date through December							
	2009-10	Change	2010-11	Change	2011-12	Change	2012-13	Change	2009-10	Change	2010-11	Change	2011-12	Change	2012-13	Change
Taxable Sales																
Total Taxable Sales	464,889,000	-14.7%	478,877,000	3.0%	486,540,000	1.6%	504,742,000	3.7%	2,909,868,000	-12.3%	2,960,634,000	1.7%	3,049,233,000	3.0%	3,145,118,000	3.1%
Retail Taxable Sales	226,434,000	-8.8%	244,242,000	7.9%	253,927,000	4.0%	260,096,000	2.4%	1,370,455,000	-10.1%	1,479,766,000	8.0%	1,504,464,000	1.7%	1,590,870,000	5.7%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	5,185,000	-13.9%	5,379,000	3.7%	5,602,000	4.1%	5,711,000	1.9%	32,795,000	-11.3%	33,185,000	1.2%	35,091,000	5.7%	36,016,000	2.6%
Temporary Privilege Tax - General Fund	0,000		799,000		838,000	4.9%	853,000	1.8%			4,053,000		5,158,000	27.3%	5,340,000	3.5%
Transit Tax Fund (.5%)	2,162,000	-15.9%	2,242,000	3.7%	2,336,000	4.2%	2,382,000	2.0%	13,674,000	-11.9%	13,836,000	1.2%	14,633,000	5.8%	15,021,000	2.7%
Arts Tax Fund (.1%)	449,000	-15.4%	465,000	3.6%	484,000	4.1%	494,000	2.1%	2,822,000	-11.7%	2,856,000	1.2%	3,018,000	5.7%	3,099,000	2.7%
Privilege Tax - Rebates Fund	375,000	-27.5%	425,000	13.3%	313,000	-26.4%	351,000	12.1%	2,047,000	-14.7%	2,323,000	13.5%	1,769,000	-23.8%	1,848,000	4.5%
Bed Tax Fund	249,000	-1.6%	371,000	49.0%	369,000	-0.5%	390,000	5.7%	1,014,000	-19.3%	1,568,000	54.6%	1,685,000	7.5%	1,763,000	4.6%
Totals	8,420,000	-14.9%	9,681,000	15.0%	9,942,000	2.7%	10,181,000	2.4%	52,352,000	-11.8%	57,821,000	10.4%	61,354,000	6.1%	63,087,000	2.8%
Tax Revenues - Business Activities																
Retail	4,182,000	-8.2%	5,019,000	20.0%	5,280,000	5.2%	5,301,000	0.4%	25,351,000	-8.7%	29,208,000	15.2%	31,012,000	6.2%	32,483,000	4.7%
Rentals	1,601,000	-7.9%	1,871,000	16.9%	1,885,000	0.7%	1,892,000	0.4%	10,164,000	-4.9%	11,147,000	9.7%	11,652,000	4.5%	11,946,000	2.5%
Utilities/Communication	695,000	-19.3%	739,000	6.3%	728,000	-1.5%	812,000	11.5%	5,394,000	-11.5%	5,858,000	8.6%	5,980,000	2.1%	6,027,000	0.8%
Restaurants	693,000	-10.8%	756,000	9.1%	811,000	7.3%	856,000	5.5%	4,005,000	-8.9%	4,427,000	10.5%	4,802,000	8.5%	4,884,000	1.7%
Contracting	579,000	-54.8%	441,000	-23.8%	412,000	-6.6%	469,000	13.8%	4,240,000	-34.8%	3,078,000	-27.4%	3,744,000	21.6%	3,426,000	-8.5%
Hotel/Motel	191,000	-5.4%	198,000	3.7%	198,000	0.0%	180,000	-9.1%	795,000	-20.8%	885,000	11.3%	967,000	9.3%	935,000	-3.3%
Transient (Bed Tax)	249,000	-1.6%	371,000	49.0%	369,000	-0.5%	390,000	5.7%	1,015,000	-19.3%	1,569,000	54.6%	1,686,000	7.5%	1,764,000	4.6%
Amusements	125,000	8.7%	169,000	35.2%	156,000	-7.7%	134,000	-14.1%	806,000	1.3%	932,000	15.6%	895,000	-4.0%	782,000	-12.6%
All Other	105,000	-5.4%	117,000	11.4%	103,000	-12.0%	147,000	42.7%	582,000	-31.3%	717,000	23.2%	616,000	-14.1%	840,000	36.4%
Totals	8,420,000	-14.9%	9,681,000	15.0%	9,942,000	2.7%	10,181,000	2.4%	52,352,000	-11.8%	57,821,000	10.4%	61,354,000	6.1%	63,087,000	2.8%
Tax Revenues - Retail Activities Breakdown																
Automotive	535,000	0.0%	675,000	26.2%	764,000	13.2%	852,000	11.5%	3,561,000	-14.6%	4,081,000	14.6%	4,592,000	12.5%	5,265,000	14.7%
Furniture/Equipment/Electronics	856,000	-22.8%	1,019,000	19.0%	1,148,000	12.7%	1,061,000	-7.6%	4,997,000	-24.0%	6,368,000	27.4%	6,568,000	3.1%	7,012,000	6.8%
Department Stores	876,000	-6.2%	1,033,000	17.9%	1,053,000	1.9%	1,077,000	2.3%	4,739,000	-9.5%	5,340,000	12.7%	5,752,000	7.7%	5,959,000	3.6%
Grocery Stores	525,000	-6.3%	601,000	14.5%	585,000	-2.7%	606,000	3.6%	3,041,000	-6.6%	3,231,000	6.2%	3,443,000	6.6%	3,533,000	2.6%
Drugs/Small Stores	474,000	13.1%	517,000	9.1%	613,000	18.6%	532,000	-13.2%	2,737,000	-1.7%	3,132,000	14.4%	3,400,000	8.6%	3,350,000	-1.5%
Manufacturing Firms	258,000	-51.6%	256,000	-0.8%	229,000	-10.5%	381,000	66.4%	1,817,000	-18.7%	1,629,000	-10.3%	1,895,000	16.3%	2,036,000	7.4%
Building Supply Stores	153,000	5.5%	181,000	18.3%	160,000	-11.6%	174,000	8.7%	979,000	-4.5%	1,079,000	10.2%	1,069,000	-0.9%	1,095,000	2.4%
All Other Retail	505,000	57.3%	737,000	45.9%	728,000	-1.2%	618,000	-15.1%	3,480,000	40.2%	4,348,000	24.9%	4,293,000	-1.3%	4,233,000	-1.4%
Totals	4,182,000	-8.2%	5,019,000	20.0%	5,280,000	5.2%	5,301,000	0.4%	25,351,000	-8.7%	29,208,000	15.2%	31,012,000	6.2%	32,483,000	4.7%
Tax Revenues - Business Districts																
Elliot Corridor	1,004,000	-10.0%	1,261,000	25.6%	1,346,000	6.7%	1,456,000	8.2%	6,369,000	-14.1%	7,469,000	17.3%	7,681,000	2.8%	8,960,000	16.7%
Autoplex (included in Elliot Corridor)	338,000	-5.1%	453,000	34.0%	514,000	13.5%	592,000	15.2%	2,320,000	-19.1%	2,691,000	16.0%	3,003,000	11.6%	3,653,000	21.6%
Market Place	405,000	-1.9%	459,000	13.3%	458,000	-0.2%	514,000	12.2%	2,183,000	-2.7%	2,434,000	11.5%	2,524,000	3.7%	2,697,000	6.9%
Mills Mall	499,000	-3.9%	558,000	11.8%	583,000	4.5%	578,000	-0.9%	2,485,000	-9.1%	2,901,000	16.7%	3,108,000	7.1%	3,106,000	-0.1%
Downtown Tempe	233,000	-12.1%	285,000	22.3%	377,000	32.3%	292,000	-22.5%	1,296,000	-13.0%	1,477,000	14.0%	1,717,000	16.2%	1,698,000	-1.1%
Apache Blvd.	210,000	14.8%	176,000	-16.2%	167,000	-5.1%	185,000	10.8%	979,000	-2.3%	1,072,000	9.5%	1,076,000	0.4%	1,081,000	0.5%
ASU Properties	112,000	-8.2%	166,000	48.2%	175,000	5.4%	199,000	13.7%	595,000	-25.6%	838,000	40.8%	984,000	17.4%	1,091,000	10.9%
Rio Salado (1.8% and 3.0% Bed Tax)	224,000	33.3%	258,000	15.2%	244,000	-5.4%	233,000	-4.5%	1,245,000	8.4%	1,448,000	16.3%	1,513,000	4.5%	1,360,000	-10.1%
All Other Areas	5,733,000	-19.4%	6,518,000	13.7%	6,592,000	1.1%	6,724,000	2.0%	37,200,000	-12.5%	40,182,000	8.0%	42,751,000	6.4%	43,094,000	0.8%

Privilege Tax Revenue - General Fund (1.2%)
Year-to-Date Comparison - December

Monthly Amounts

	2009-10	%	2010-11	%	2011-12	%	2012-13	%
Jul	5,836,000	-11.1%	5,689,000	-2.5%	6,008,000	5.6%	6,280,000	4.5%
Aug	5,565,000	-7.9%	5,351,000	-3.8%	5,675,000	6.1%	5,808,000	2.3%
Sep	5,431,000	-9.7%	5,703,000	5.0%	5,804,000	1.8%	6,003,000	3.4%
Oct	5,611,000	-11.5%	5,762,000	2.7%	6,174,000	7.2%	6,331,000	2.6%
Nov	5,166,000	-14.0%	5,301,000	2.6%	5,828,000	9.9%	5,883,000	0.9%
Dec	5,185,000	-13.9%	5,379,000	3.7%	5,602,000	4.1%	5,711,000	1.9%
Jan	6,939,000	-2.3%	6,757,000	-2.6%	6,370,000	-5.7%		
Feb	4,937,000	-7.7%	5,617,000	13.8%	5,680,000	1.1%		
Mar	5,162,000	0.1%	5,302,000	2.7%	6,108,000	15.2%		
Apr	6,091,000	-5.0%	6,337,000	4.0%	5,992,000	-5.4%		
May	5,225,000	-2.9%	5,784,000	10.7%	6,253,000	8.1%		
Jun	5,334,000	-3.1%	5,439,000	2.0%	5,793,000	6.5%		
Total	66,482,000	-7.5%	68,421,000	2.9%	71,287,000	4.2%	36,016,000	

Cumulative Amounts

	2009-10	%	2010-11	%	2011-12	%	2012-13	%
Jul	5,836,000	-11.1%	5,689,000	-2.5%	6,008,000	5.6%	6,279,000	4.5%
Jul-Aug	11,401,000	-9.6%	11,040,000	-3.2%	11,683,000	5.8%	12,087,000	3.5%
Jul-Sep	16,833,000	-9.6%	16,743,000	-0.5%	17,487,000	4.4%	18,090,000	3.4%
Jul-Oct	22,444,000	-10.1%	22,505,000	0.3%	23,661,000	5.1%	24,422,000	3.2%
Jul-Nov	27,610,000	-10.8%	27,806,000	0.7%	29,489,000	6.1%	30,305,000	2.8%
Jul-Dec	32,795,000	-11.3%	33,185,000	1.2%	35,091,000	5.7%	36,016,000	2.6%
Jul-Jan	39,734,000	-9.9%	39,942,000	0.5%	41,461,000	3.8%		
Jul-Feb	44,671,000	-9.7%	45,559,000	2.0%	47,141,000	3.5%		
Jul-Mar	49,833,000	-8.7%	50,861,000	2.1%	53,249,000	4.7%		
Jul-Apr	55,924,000	-8.3%	57,198,000	2.3%	59,241,000	3.6%		
Jul-May	61,149,000	-7.9%	62,982,000	3.0%	65,494,000	4.0%		
Jul-Jun	66,483,000	-7.5%	68,421,000	2.9%	71,287,000	4.2%		

This schedule presents General Fund privilege tax revenues (1.2%) reported in the City of Tempe for the past four fiscal years. These revenues do not include amounts transferred to the Transit, Performing Arts, and Tax Rebates funds. The percentages shown to the right of each amount reflect the percentage increase or decrease of that amount when compared to the applicable amount for the preceding year.

Temporary Privilege Tax Revenue - General Fund
Year-to-Date Comparison - December

Monthly Amounts

	2009-10	%	2010-11	%	2011-12	%	2012-13	%
Jul			-	-	873,000		934,000	7.0%
Aug			783,000		847,000	8.2%	868,000	2.5%
Sep			823,000		854,000	3.8%	892,000	4.4%
Oct			847,000		876,000	7.2%	928,000	5.9%
Nov			801,000		870,000	8.6%	865,000	-0.6%
Dec			799,000		838,000	4.9%	853,000	1.8%
Jan			1,003,000		961,000	-4.2%		
Feb			850,000		844,000	-0.7%		
Mar			796,000		910,000	14.3%		
Apr			934,000		897,000	-4.0%		
May			861,000		922,000	7.1%		
Jun			827,000		868,000	5.0%		
Totals			9,324,000		10,560,000	13.3%	5,340,000	

Cumulative Amounts

	2009-10	%	2010-11	%	2011-12	%	2012-13	%
Jul			-		873,000		934,000	7.0%
Jul-Aug			783,000		1,720,000	119.7%	1,802,000	4.8%
Jul-Sep			1,606,000		2,574,000	60.3%	2,694,000	4.7%
Jul-Oct			2,453,000		3,450,000	40.6%	3,622,000	5.0%
Jul-Nov			3,254,000		4,320,000	32.8%	4,487,000	3.9%
Jul-Dec			4,053,000		5,158,000	27.3%	5,340,000	3.5%
Jul-Jan			5,056,000		6,119,000	21.0%		
Jul-Feb			5,906,000		6,963,000	17.9%		
Jul-Mar			6,702,000		7,873,000	17.5%		
Jul-Apr			7,636,000		8,770,000	14.9%		
Jul-May			8,497,000		9,692,000	14.1%		
Jul-Jun			9,324,000		10,560,000	13.3%		