Memorandum



Finance and Technology Department

Date: May 13, 2011

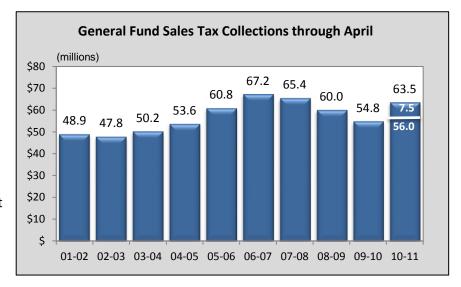
To: Mayor and Council

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

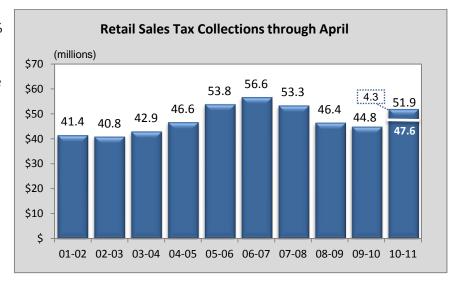
Subject: Tax Revenue Statistical Report – April 2011

Attached is the Executive Summary of the Tax Revenue Statistical Report for April 2011 covering March sales activity reported to our Tax and License Division in April.

The graph to the right depicts year-todate General Fund historical privilege tax revenue from FY 2001-02 through FY 2010-11. Tax revenue collected for 2010-11 is up 15.8% from the same period in the prior fiscal year. In terms of actual dollars received (\$63.5 million), we are \$8.7 million ahead of last fiscal year (\$54.8 million). However, that increase is due, in part, to the temporary sales tax increase that took effect in July. If we assumed the same sales levels at our pre-increase tax rate. General Fund sales tax collections would be up 2.2% from the same period last year.



Retail, which historically represents 55% of total sales tax collections, is 15.9% over last year's year-to-date collections (including the temporary sales tax). The automotive sector leads the way with a 21.9% increase over last year (including sales tax increase). Same month prior year growth was strong across all categories.

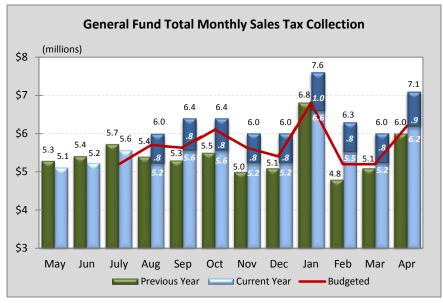


Outside the retail category, contracting tax revenues continue to show a steep drop from last year. This category, which in recent years has represented 10.7% of collections, is down by 20.1% from last year and represents 5.0% of collections through April.

The graph to the right represents twelve months of activity, comparing current year General Fund monthly sales tax collections to the previous year. Current year collections are broken into two components: the 1.2% permanent tax and the .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 \$6.4 million ahead of forecast through April. Of this amount, \$5.5 million is from the 1.2% rate and \$.9 million is from the 0.2% temporary tax rate.

The final chart shows twelve months of collection activity comparing monthly retail sales tax from the current year to the prior year. For April, retail sales collections increased by 14.7% over the same month last year (including the temporary tax increase).





Executive Summary

	Current Month - April								Fiscal Year to Date through April							
	2007-08	Change	2008-09	Change	2009-10	Change	2010-11	Change	2007-08	Change	2008-09	Change	2009-10	Change	2010-11	Change
Taxable Sales		8.		8		8.				8						
Total Taxable Sales	635,274,000	-2.4%	569,839,000	-10.3%	539,159,000	-5.4%	564,646,000	4.7%	5,955,617,000	-0.6%	5,508,934,000	-7.5%	4,987,389,000	-9.5%	5,045,650,000	1.2%
Retail Taxable Sales	299,111,000	-9.7%	246,681,000	-17.5%	269,968,000	9.4%	285,777,000	5.9%	2,895,475,000	-5.6%	2,528,518,000	-12.7%	2,416,913,000	-4.4%	2,573,051,000	6.5%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	6,932,000	-4.6%	6,317,000	-8.9%	5,959,000	-5.7%	6,193,000	3.9%	65,377,000	-2.8%	60,022,000	-8.2%	54,772,000	-8.7%	55,967,000	2.2%
Temporary Privilege Tax (.2%)	, ,						912,000		, ,						7,477,000	
Transit Tax Fund (.5%)	3,000,000	-3.6%	2,688,000	-10.4%	2,538,000	-5.6%	2,640,000	4.0%	28,170,000	-3.9%	25,593,000	-9.1%	23,312,000	-8.9%	23,842,000	2.3%
Arts Tax Fund (.1%)	619,000	-2.2%	556,000	-10.2%	525,000	-5.6%	545,000	3.8%	5,800,000	-1.2%	5,279,000	-9.0%	4,817,000	-8.8%	4,923,000	2.2%
Privilege Tax - Rebates Fund	463,000	45.6%	437,000	-5.6%	419,000	-4.1%	319,000	-23.9%	4,028,000	51.4%	4,050,000	0.5%	3,643,000	-10.0%	3,627,000	-0.4%
Bed Tax Fund	451,000	-0.4%	327,000	-27.5%	341,000	4.3%	583,000	71.0%	2,691,000	2.7%	2,232,000	-17.1%	1,866,000	-16.4%	3,086,000	65.4%
Rio Salado PLT & Bed Tax	172,000	53.6%	121,000	-29.7%	174,000	43.8%	241,000	38.5%	1,267,000	55.8%	1,183,000	-6.6%	1,372,000	16.0%	1,780,000	29.7%
Totals	11,637,000	-2.2%	10,446,000	-10.2%	9,956,000	-4.7%	11,433,000	14.8%	107,333,000	-1.1%	98,359,000	-8.4%	89,782,000	-8.7%	100,702,000	12.2%
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Tax Revenues - Business Activities Retail	5,605,000	-7.7%	4.534.000	-19.1%	5,002,000	10.3%	5,735,000	14.7%	53.308.000	-5.8%	46,380,000	-13.0%	44.780.000	-3.4%	51.884.000	15.9%
Rentals	1,939,000	0.1%	2,183,000	12.6%	1,912,000	-12.4%	2,160,000	13.0%	17.502.000	6.7%	18,335,000	4.8%	17,328,000	-5.5%	19,076,000	10.1%
Utilities/Communication	840,000	14.3%	869,000	3.5%	683,000	-12.4%	723,000	5.9%	9,318,000	7.3%	9,248,000	-0.8%	8,119,000	-12.2%	8,787,000	8.2%
Restaurants	936,000	7.8%	935,000	-0.1%	890,000	-4.8%	963,000	8.2%	7,726,000	6.3%	7,579,000	-1.9%	7,045,000	-7.0%	7,862,000	11.6%
Contracting	1,217,000	2.0%	1,058,000	-13.1%	482,000	-54.4%	621,000	28.8%	11,484,000	-2.7%	9,802,000	-14.6%	6,324,000	-35.5%	5,054,000	-20.1%
Hotel/Motel	318,000	6.7%	258,000	-18.9%	281,000	8.9%	316,000	12.5%	2,265,000	16.6%	1,892,000	-16.5%	1,655,000	-12.5%	1,842,000	11.3%
Transient (Bed Tax)	488,000	-0.6%	353,000	-27.7%	383,000	8.5%	658,000	71.8%	2,919,000	3.8%	2,423,000	-17.0%	2,088,000	-13.8%	3,478,000	66.6%
Amusements	120,000	-3.2%	141,000	17.5%	224,000	58.9%	147,000	-34.4%	1,273,000	0.8%	1,326,000	4.2%	1,452,000	9.5%	1,539,000	6.0%
All Other	174,000	0.6%	115,000	-33.9%	99,000	-13.9%	110,000	11.1%	1,538,000	-13.3%	1,374,000	-10.7%	991,000	-27.9%	1,180,000	19.1%
Totals	11,637,000	-2.2%	10,446,000	-10.2%	9,956,000	-4.7%	11,433,000	14.8%	107,333,000	-1.1%	98,359,000	-8.4%	89,782,000	-8.7%	100,702,000	12.2%
Tax Revenues - Retail Activities Breakdo	own															
Automotive	975,000	-29.3%	569,000	-41.6%	680,000	19.5%	829,000	21.9%	10,246,000	-21.6%	6,404,000	-37.5%	5,891,000	-8.0%	7,180,000	21.9%
Furniture/Equipment/Electronics	1,172,000	-10.8%	938,000	-20.0%	1,014,000	8.1%	1,130,000	11.4%	12,348,000	-4.6%	10,887,000	-11.8%	9,361,000	-14.0%	10,914,000	16.6%
Department Stores	1,040,000	11.6%	942,000	-9.4%	981,000	4.1%	1,088,000	10.9%	9,449,000	8.4%	9,052,000	-4.2%	8,485,000	-6.3%	9,646,000	13.7%
Grocery Stores	582,000	0.0%	550,000	-5.5%	566,000	2.9%	632,000	11.7%	5,899,000	-0.5%	5,662,000	-4.0%	5,384,000	-4.9%	5,772,000	7.2%
Drugs/Small Stores	553,000	0.2%	485,000	-12.3%	580,000	19.6%	638,000	10.0%	4,937,000	1.2%	4,794,000	-2.9%	4,961,000	3.5%	5,548,000	11.8%
Manufacturing Firms	464,000	-13.6%	426,000	-8.2%	274,000	-35.7%	325,000	18.6%	3,462,000	-26.3%	3,717,000	7.4%	3,102,000	-16.5%	3,170,000	2.2%
Building Supply Stores	211,000	-9.4%	172,000	-18.5%	180,000	4.7%	192,000	6.7%	2,200,000	1.9%	1,624,000	-26.2%	1,599,000	-1.5%	1,740,000	8.8%
All Other Retail	5,605,000	0.0%	452,000	-25.7% -19.1%	727,000 5,002,000	10.3%	901,000 5,735,000	23.9%	4,767,000 53,308,000	14.3%	4,240,000	-11.1%	5,997,000	41.4%	7,914,000 51,884,000	32.0%
Totals	3,003,000	0.0%	4,534,000	-19.1%	5,002,000	10.5%	5,735,000	14.7%	55,308,000	-5.8%	46,380,000	-13.0%	44,780,000	-3.4%	51,884,000	15.9%
Tax Revenues - Business Districts																
Elliot Corridor	1,317,000	-22.5%	1,077,000	-18.2%	1,227,000	13.9%	1,298,000	5.8%	13.921.000	-15.6%	11,780,000	-15.4%	10,848,000	-7.9%	12,724,000	17.3%
Autoplex (included in Elliot Corridor)	516,000	-34.0%	358,000	-30.6%	443,000	23.7%	561,000	26.6%	5,815,000	-22.3%	4,352,000	-25.2%	3,834,000	-11.9%	4,726,000	23.3%
Market Place	399,000	5 70	456,000	14.3%	453,000	-0.7%	469,000	3.5%	2,637,000	22.570	3,924,000	48.8%	3,913,000	-0.3%	4,265,000	9.0%
Mills Mall	588,000	-11.7%	493,000	-16.2%	568,000	15.2%	640,000	12.7%	5,445,000	-3.4%	4,784,000	-12.1%	4,581,000	-4.2%	5,335,000	16.5%
Downtown Tempe	357,000	-5.6%	319,000	-10.6%	306,000	-4.1%	399,000	30.4%	2,980,000	-0.5%	2,694,000	-9.6%	2,417,000	-10.3%	2,796,000	15.7%
Apache Blvd.	213,000	-29.0%	186,000	-12.7%	232,000	24.7%	263,000	13.4%	1,824,000	-17.0%	1,778,000	-2.5%	1,710,000	-3.8%	1,966,000	15.0%
ASU Properties	128,000	33.3%	107,000	-16.4%	172,000	60.7%	161,000	-6.4%	1,250,000	22.5%	1,216,000	-2.7%	1,065,000	-12.4%	1,456,000	36.7%
Rio Salado	248,000	67.6%	267,000	7.7%	247,000	-7.5%	321,000	30.0%	1,815,000	61.6%	1,974,000	8.8%	2,033,000	3.0%	2,467,000	21.3%
All Other Areas	8,387,000	-2.6%	7,541,000	-10.1%	6,751,000	-10.5%	7,882,000	16.8%	77,461,000	-2.0%	70,209,000	-9.4%	63,215,000	-10.0%	69,693,000	10.2%