

Memorandum

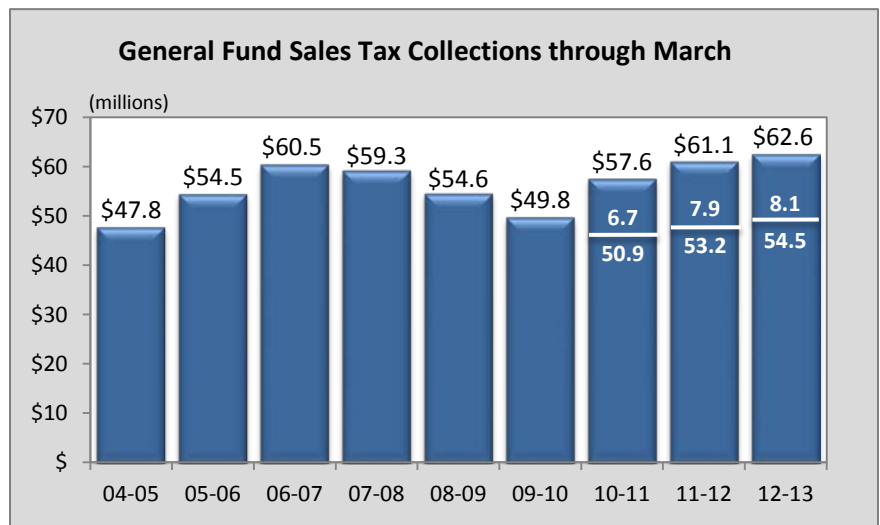


Finance and Technology Department

Date: April 16, 2013
To: Mayor and Council
From: Ken Jones, Finance and Technology Director (350-8504)
Subject: Tax Revenue Statistical Report – **March 2013**

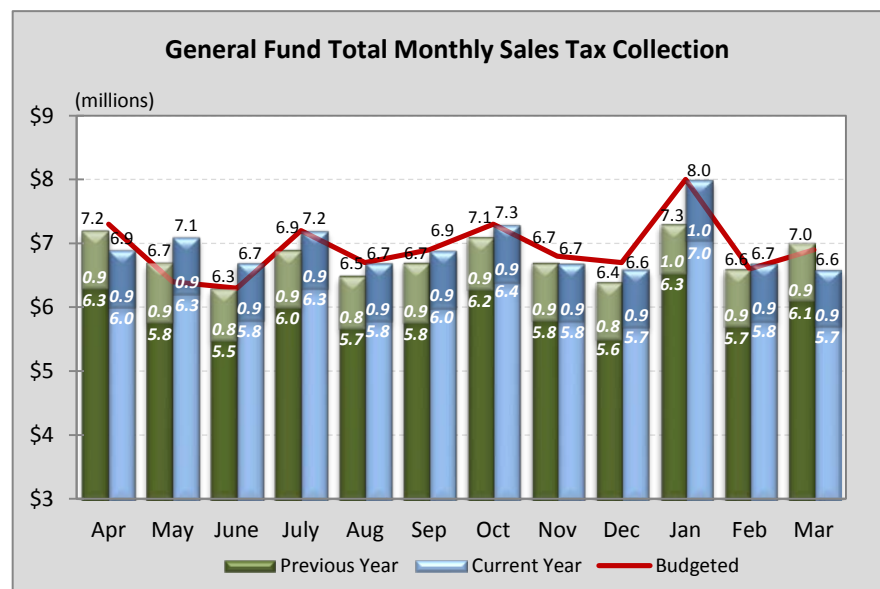
Attached is the Executive Summary of the Tax Revenue Statistical Report for March 2013 covering February sales activity reported to our Tax and License Division in March.

The graph to the right depicts year-to-date General Fund historical privilege tax revenue from FY 2004-05 through FY 2012-13. General Fund Sales Tax revenue collected for 2012-13 is up 2.3% from the same period in the prior fiscal year. In terms of actual dollars received (\$62.6 million), we are \$1.5 million ahead of last fiscal year (\$61.1 million). Of the total amount collected through March, \$8.1 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 3.0%. Gains were partially offset by a 3.0% decline in Contracting sales tax collections through March.



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 1.3%, or \$842 thousand below forecast through March.



Executive Summary

Current Month -March									Fiscal Year to Date through March							
	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	470,155,000	-2.6%	458,712,000	-2.4%	538,536,000	17.4%	495,625,000	-8.0%	4,448,230,000	-9.9%	4,505,252,000	1.3%	4,643,287,000	3.1%	4,756,208,000	2.4%
Retail Taxable Sales	227,978,000	8.4%	246,205,000	8.0%	273,272,000	11.0%	242,350,000	-11.3%	2,146,945,000	-5.9%	2,311,522,000	7.7%	2,361,068,000	2.1%	2,443,374,000	3.5%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	5,162,000	0.1%	5,300,000	2.7%	6,108,000	15.2%	5,719,000	-6.4%	49,833,000	-8.7%	50,860,000	2.1%	53,250,000	4.7%	54,493,000	2.3%
Temporary Privilege Tax - General Fund			795,000		910,000	14.5%	865,000	-4.9%			6,702,000		7,874,000	17.5%	8,091,000	2.8%
Transit Tax Fund (.5%)	2,151,000	-0.1%	2,209,000	2.7%	2,547,000	15.3%	2,383,000	-6.4%	20,774,000	-9.3%	21,202,000	2.1%	22,205,000	4.7%	22,725,000	2.3%
Arts Tax Fund (.1%)	445,000	0.5%	456,000	2.5%	528,000	15.8%	492,000	-6.8%	4,292,000	-9.1%	4,378,000	2.0%	4,588,000	4.8%	4,697,000	2.4%
Privilege Tax - Rebates Fund	353,000	16.9%	262,000	-25.8%	356,000	35.9%	300,000	-15.7%	3,225,000	-10.7%	3,308,000	2.6%	2,837,000	-14.2%	2,938,000	3.6%
Bed Tax Fund	269,000	-13.8%	468,000	74.0%	608,000	29.9%	535,000	-12.0%	1,704,000	-17.7%	2,819,000	65.4%	3,015,000	7.0%	3,131,000	3.8%
Totals	8,380,000	0.1%	9,490,000	13.2%	11,057,000	16.5%	10,294,000	-6.9%	79,828,000	-9.2%	89,269,000	11.8%	93,769,000	5.0%	96,075,000	2.5%
Tax Revenues - Business Activities																
Retail	4,240,000	7.7%	4,819,000	13.7%	5,583,000	15.9%	5,058,000	-9.4%	39,779,000	-4.9%	46,152,000	16.0%	48,517,000	5.1%	49,954,000	3.0%
Rentals	1,673,000	7.1%	1,821,000	8.8%	2,114,000	16.1%	1,970,000	-6.8%	15,417,000	-4.6%	16,916,000	9.7%	17,532,000	3.6%	17,945,000	2.4%
Utilities/Communication	606,000	-18.5%	714,000	17.8%	624,000	-12.6%	811,000	30.0%	7,436,000	-11.3%	8,064,000	8.4%	8,120,000	0.7%	8,345,000	2.8%
Restaurants	768,000	3.4%	829,000	7.9%	1,051,000	26.8%	917,000	-12.7%	6,155,000	-7.4%	6,899,000	12.1%	7,452,000	8.0%	7,585,000	1.8%
Contracting	419,000	-30.7%	400,000	-4.5%	515,000	28.8%	520,000	1.0%	5,842,000	-33.2%	4,433,000	-24.1%	5,180,000	16.9%	5,027,000	-3.0%
Hotel/Motel	202,000	-12.6%	231,000	14.4%	309,000	33.8%	266,000	-13.9%	1,374,000	-15.9%	1,526,000	11.1%	1,678,000	10.0%	1,644,000	-2.0%
Transient (Bed Tax)	269,000	-13.8%	469,000		607,000	29.4%	536,000	-11.7%	1,705,000	-17.6%	2,820,000	65.4%	3,014,000	6.9%	3,131,000	3.9%
Amusements	111,000	-20.7%	127,000	14.4%	151,000	18.9%	105,000	-30.5%	1,228,000	3.6%	1,392,000	13.4%	1,334,000	-4.2%	1,166,000	-12.6%
All Other	92,000	-1.1%	80,000	-13.0%	103,000	28.8%	111,000	7.8%	892,000	-29.2%	1,067,000	19.6%	942,000	-11.7%	1,278,000	35.7%
Totals	8,380,000	0.1%	9,490,000	13.2%	11,057,000	16.5%	10,294,000	-6.9%	79,828,000	-9.2%	89,269,000	11.8%	93,769,000	5.0%	96,075,000	2.5%
Tax Revenues - Retail Activities Breakdown																
Automotive	526,000	7.1%	753,000	43.2%	942,000	25.1%	878,000	-6.8%	5,211,000	-10.7%	6,351,000	21.9%	7,106,000	11.9%	7,935,000	11.7%
Furniture/Equipment/Electronics	956,000	14.9%	954,000	-0.2%	1,169,000	22.5%	1,012,000	-13.4%	8,347,000	-16.1%	9,784,000	17.2%	10,383,000	6.1%	10,801,000	4.0%
Department Stores	824,000	-0.1%	953,000	15.7%	1,014,000	6.4%	972,000	-4.1%	7,504,000	-7.5%	8,558,000	14.0%	9,069,000	6.0%	9,321,000	2.8%
Grocery Stores	513,000	-1.5%	539,000	5.1%	694,000	28.8%	383,000	-44.8%	4,818,000	-5.8%	5,140,000	6.7%	5,471,000	6.4%	5,453,000	-0.3%
Drugs/Small Stores	484,000	13.6%	528,000	9.1%	609,000	15.3%	555,000	-8.9%	4,381,000	1.7%	4,910,000	12.1%	5,381,000	9.6%	5,365,000	-0.3%
Manufacturing Firms	295,000	-7.8%	238,000	-19.3%	362,000	52.1%	343,000	-5.2%	2,828,000	-14.1%	2,845,000	0.6%	3,260,000	14.6%	3,207,000	-1.6%
Building Supply Stores	147,000	-16.5%	149,000	1.4%	178,000	19.5%	229,000	28.7%	1,419,000	-2.3%	1,548,000	9.1%	1,606,000	3.7%	1,566,000	-2.5%
All Other Retail	495,000	42.7%	705,000	42.4%	615,000	-12.8%	686,000	11.5%	5,271,000	39.1%	7,016,000	33.1%	6,241,000	-11.0%	6,306,000	1.0%
Totals	4,240,000	7.7%	4,819,000	13.7%	5,583,000	15.9%	5,058,000	-9.4%	39,779,000	-4.9%	46,152,000	16.0%	48,517,000	5.1%	49,954,000	3.0%
Tax Revenues - Business Districts																
Elliot Corridor	990,000	3.7%	1,233,000	24.5%	1,545,000	25.3%	1,446,000	-6.4%	9,621,000	-10.1%	11,426,000	18.8%	12,025,000	5.2%	13,652,000	13.5%
Autoplex (included in Elliot Corridor)	327,000	-2.4%	485,000	48.3%	645,000	33.0%	611,000	-5.3%	3,391,000	-15.1%	4,165,000	22.8%	4,737,000	13.7%	5,570,000	17.6%
Market Place	381,000	24.1%	384,000	0.8%	532,000	38.5%	451,000	-15.2%	3,460,000	-0.2%	3,796,000	9.7%	4,131,000	8.8%	4,320,000	4.6%
Mills Mall	468,000	7.6%	547,000	16.9%	626,000	14.4%	530,000	-15.3%	4,013,000	-6.5%	4,695,000	17.0%	4,956,000	5.6%	4,885,000	-1.4%
Downtown Tempe	282,000	4.4%	317,000	12.4%	401,000	26.5%	374,000	-6.7%	2,111,000	-11.1%	2,397,000	13.5%	2,789,000	16.4%	2,801,000	0.4%
Apache Blvd.	189,000	-11.7%	198,000	4.8%	356,000	79.8%	227,000	-36.2%	1,478,000	-7.2%	1,703,000	15.2%	1,775,000	4.2%	1,717,000	-3.3%
ASU Properties	100,000	-2.0%	136,000	36.0%	179,000	31.6%	141,000	-21.2%	893,000	-19.5%	1,295,000	45.0%	1,592,000	22.9%	1,643,000	3.2%
Rio Salado (1.8% and 3.0% Bed Tax)	185,000	2.2%	225,000	21.6%	310,000	37.8%	334,000	7.7%	1,786,000	4.6%	2,146,000	20.2%	2,300,000	7.2%	2,207,000	-4.0%
All Other Areas	5,785,000	-2.0%	6,450,000	11.5%	7,108,000	10.2%	6,791,000	-4.5%	56,466,000	-9.9%	61,811,000	9.5%	64,201,000	3.9%	64,850,000	1.0%

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

Monthly Amounts

	2009-10	%	2010-11	%	2011-12	%	2012-13	%
Jul	5,836,000	-11.1%	5,687,000	-2.6%	6,009,000	5.7%	6,280,000	4.5%
Aug	5,565,000	-7.9%	5,352,000	-3.8%	5,675,000	6.0%	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%	6,943,000	9.0%
Feb	4,937,000	-7.7%	5,617,000	13.8%	5,680,000	1.1%	5,815,000	2.4%
Mar	5,162,000	0.1%	5,302,000	2.7%	6,108,000	15.2%	5,719,000	-6.4%
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	<u>66,482,000</u>	<u>-7.5%</u>	<u>68,420,000</u>	<u>2.9%</u>	<u>71,288,000</u>	<u>4.2%</u>	<u>54,493,000</u>	

Cumulative Amounts

	2009-10	%	2010-11	%	2011-12	%	2012-13	%
Jul	5,836,000	-11.1%	5,687,000	-2.6%	6,009,000	5.7%	6,279,000	4.5%
Jul-Aug	11,401,000	-9.6%	11,039,000	-3.2%	11,684,000	5.8%	12,087,000	3.4%
Jul-Sep	16,833,000	-9.6%	16,742,000	-0.5%	17,488,000	4.5%	18,090,000	3.4%
Jul-Oct	22,444,000	-10.1%	22,504,000	0.3%	23,662,000	5.1%	24,422,000	3.2%
Jul-Nov	27,610,000	-10.8%	27,805,000	0.7%	29,490,000	6.1%	30,305,000	2.8%
Jul-Dec	32,795,000	-11.3%	33,184,000	1.2%	35,092,000	5.7%	36,016,000	2.6%
Jul-Jan	39,734,000	-9.9%	39,941,000	0.5%	41,462,000	3.8%	42,959,000	3.6%
Jul-Feb	44,671,000	-9.7%	45,558,000	2.0%	47,142,000	3.5%	48,774,000	3.5%
Jul-Mar	49,833,000	-8.7%	50,860,000	2.1%	53,250,000	4.7%	54,493,000	2.3%
Jul-Apr	55,924,000	-8.3%	57,197,000	2.3%	59,242,000	3.6%		
Jul-May	61,149,000	-7.9%	62,981,000	3.0%	65,495,000	4.0%		
Jul-Jun	66,483,000	-7.5%	68,420,000	2.9%	71,288,000	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 - March

Monthly Amounts

	<u>2009-10</u>	<u>%</u>	<u>2010-11</u>	<u>%</u>	<u>2011-12</u>	<u>%</u>	<u>2012-13</u>	<u>%</u>
Jul			-	-	874,000		934,000	6.9%
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%	1,025,000	6.7%
Feb			850,000		844,000	-0.7%	861,000	2.0%
Mar			796,000		910,000	14.3%	865,000	-4.9%
Apr			934,000		897,000	-4.0%		
May			861,000		922,000	7.1%		
Jun			827,000		868,000	5.0%		
Totals			<u>9,324,000</u>		<u>10,561,000</u>	<u>13.3%</u>	<u>8,091,000</u>	

Cumulative Amounts

	<u>2009-10</u>	<u>%</u>	<u>2010-11</u>	<u>%</u>	<u>2011-12</u>	<u>%</u>	<u>2012-13</u>	<u>%</u>
Jul			-		874,000		934,000	6.9%
Jul-Aug			783,000		1,721,000	119.8%	1,802,000	4.7%
Jul-Sep			1,606,000		2,575,000	60.3%	2,694,000	4.6%
Jul-Oct			2,453,000		3,451,000	40.7%	3,622,000	5.0%
Jul-Nov			3,254,000		4,321,000	32.8%	4,487,000	3.8%
Jul-Dec			4,053,000		5,159,000	27.3%	5,340,000	3.5%
Jul-Jan			5,056,000		6,120,000	21.0%	6,365,000	4.0%
Jul-Feb			5,906,000		6,964,000	17.9%	7,226,000	3.8%
Jul-Mar			6,702,000		7,874,000	17.5%	8,091,000	2.8%
Jul-Apr			7,636,000		8,771,000	14.9%		
Jul-May			8,497,000		9,693,000	14.1%		
Jul-Jun			9,324,000		10,561,000	13.3%		