

Memorandum



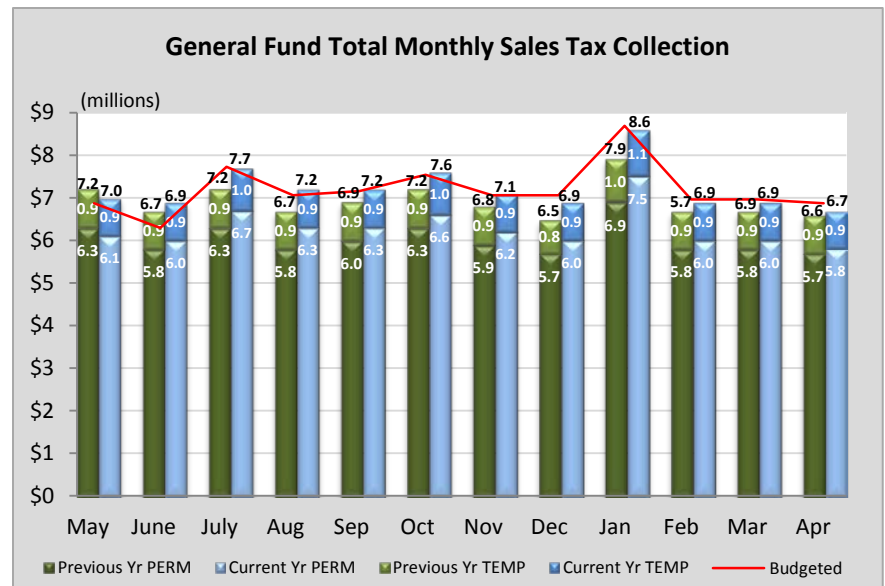
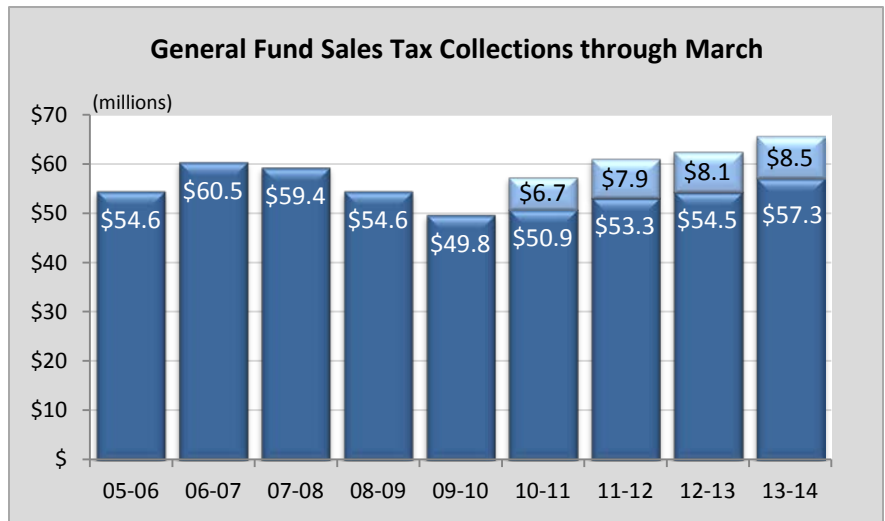
Finance and Technology Department

Date: April 14, 2014
To: Mayor and Council
From: Ken Jones, Finance and Technology Director (350-8504)
Subject: Tax Revenue Statistical Report – **March 2014**

Attached is the Executive Summary of the Tax Revenue Statistical Report for March 2014 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 2005-06 through FY 2013-14. General Fund Sales Tax revenue collected for 2013-14 is up 5.1% from the same period in the prior fiscal year. In terms of actual dollars received (\$65.8 million), we are \$3.2 million ahead of last fiscal year (\$62.6 million). Of the total amount collected through March, \$8.5 million was from the temporary sales tax, which expires June 30, 2014. Although this is positive news, the 5.1% increase in General Fund privilege tax revenue more reflects how deep the recession was than a swift recovery. Some economists believe the economic recovery was slowed by damaged consumer confidence in the wake of the government shutdown. While contracting realized the greatest percentage growth, the leading category of growth in terms of dollars received was Retail, at \$3.2 million. When further analyzing Retail activity, the Furniture/Equipment/ Electronics sector led the way with a 14.7% year-to-date increase.

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 in the General Fund are (0.9%), or \$534 thousand below forecast through February, not including revenues resulting from large audits.

Executive Summary

Current Month -March									Fiscal Year to Date through March							
	2010-11	Change	2011-12	Change	2012-13	Change	2013-14	Change	2010-11	Change	2011-12	Change	2012-13	Change	2013-14	Change
Taxable Sales																
Total Taxable Sales	458,712,000	-2.4%	538,536,000	17.4%	495,625,000	-8.0%	514,642,000	3.8%	4,505,252,000	1.3%	4,643,287,000	3.1%	4,756,208,000	2.4%	5,006,604,000	5.3%
Retail Taxable Sales	246,205,000	8.0%	273,272,000	11.0%	242,350,000	-11.3%	267,942,000	10.6%	2,311,522,000	7.7%	2,361,068,000	2.1%	2,443,374,000	3.5%	2,590,005,000	6.0%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	5,301,000	2.7%	6,109,000	15.2%	5,720,000	-6.4%	5,834,000	2.0%	50,860,000	2.1%	53,250,000	4.7%	54,495,000	2.3%	57,347,000	5.2%
Temporary Privilege Tax - General Fund	796,000		910,000	14.3%	865,000	-4.9%	862,000	-0.3%	6,702,000		7,874,000	17.5%	8,091,000	2.8%	8,456,000	4.5%
Transit Tax Fund (.5%)	2,210,000	2.7%	2,547,000	15.2%	2,384,000	-6.4%	2,434,000	2.1%	21,202,000	2.1%	22,205,000	4.7%	22,725,000	2.3%	23,928,000	5.3%
Arts Tax Fund (.1%)	456,000	2.5%	528,000	15.8%	493,000	-6.6%	503,000	2.0%	4,378,000	2.0%	4,588,000	4.8%	4,697,000	2.4%	4,941,000	5.2%
Privilege Tax - Rebates Fund	263,000	-25.3%	356,000	35.4%	300,000	-15.7%	319,000	6.3%	3,308,000	2.6%	2,837,000	-14.2%	2,938,000	3.6%	3,052,000	3.9%
Bed Tax Fund	468,000	74.0%	608,000	29.9%	535,000	-12.0%	624,000	16.6%	2,819,000	65.4%	3,015,000	7.0%	3,131,000	3.8%	3,433,000	9.6%
Totals	9,494,000	13.3%	11,058,000	16.5%	10,297,000	-6.9%	10,576,000	2.7%	89,269,000	11.8%	93,769,000	5.0%	96,077,000	2.5%	101,157,000	5.3%
Tax Revenues - Business Activities																
Retail	4,820,000	13.7%	5,583,000	15.8%	5,058,000	-9.4%	5,472,000	8.2%	46,152,000	16.0%	48,518,000	5.1%	49,955,000	3.0%	53,116,000	6.3%
Rentals	1,821,000	8.8%	2,114,000	16.1%	1,970,000	-6.8%	1,740,000	-11.7%	16,916,000	9.7%	17,532,000	3.6%	17,945,000	2.4%	17,847,000	-0.5%
Utilities/Communication	714,000	17.8%	624,000	-12.6%	811,000	30.0%	730,000	-10.0%	8,064,000	8.4%	8,120,000	0.7%	8,345,000	2.8%	8,559,000	2.6%
Restaurants	829,000	7.9%	1,051,000	26.8%	917,000	-12.7%	963,000	5.0%	6,899,000	12.1%	7,452,000	8.0%	7,585,000	1.8%	8,306,000	9.5%
Contracting	400,000	-4.5%	515,000	28.8%	520,000	1.0%	538,000	3.5%	4,433,000	-24.1%	5,180,000	16.9%	5,027,000	-3.0%	5,737,000	14.1%
Hotel/Motel	231,000	14.4%	309,000	33.8%	266,000	-13.9%	311,000	16.9%	1,526,000	11.1%	1,678,000	10.0%	1,644,000	-2.0%	1,811,000	10.2%
Transient (Bed Tax)	469,000	74.3%	607,000	29.4%	536,000	-11.7%	624,000	16.4%	2,820,000	65.4%	3,014,000	6.9%	3,131,000	3.9%	3,433,000	9.6%
Amusements	127,000	14.4%	151,000	18.9%	106,000	-29.8%	109,000	2.8%	1,392,000	13.4%	1,334,000	-4.2%	1,166,000	-12.6%	1,242,000	6.5%
All Other	83,000	-9.8%	104,000	25.3%	113,000	8.7%	89,000	-21.2%	1,067,000	19.4%	941,000	-11.8%	1,279,000	35.9%	1,106,000	-13.5%
Totals	9,494,000	13.3%	11,058,000	16.5%	10,297,000	-6.9%	10,576,000	2.7%	89,269,000	11.8%	93,769,000	5.0%	96,077,000	2.5%	101,157,000	5.3%
Tax Revenues - Retail Activities Breakdown																
Automotive	753,000	43.2%	942,000	25.1%	878,000	-6.8%	962,000	9.6%	6,351,000	21.9%	7,106,000	11.9%	7,935,000	11.7%	8,691,000	9.5%
Furniture/Equipment/Electronics	954,000	-0.2%	1,169,000	22.5%	1,012,000	-13.4%	1,088,000	7.5%	9,784,000	17.2%	10,383,000	6.1%	10,801,000	4.0%	12,388,000	14.7%
Department Stores	953,000	15.7%	1,014,000	6.4%	972,000	-4.1%	1,007,000	3.6%	8,558,000	14.0%	9,069,000	6.0%	9,321,000	2.8%	9,257,000	-0.7%
Grocery Stores	539,000	5.1%	694,000	28.8%	383,000	-44.8%	653,000	70.5%	5,140,000	6.7%	5,471,000	6.4%	5,453,000	-0.3%	5,942,000	9.0%
Drugs/Small Stores	528,000	9.1%	609,000	15.3%	555,000	-8.9%	549,000	-1.1%	4,910,000	12.1%	5,381,000	9.6%	5,365,000	-0.3%	5,553,000	3.5%
Manufacturing Firms	238,000	-19.3%	362,000	52.1%	343,000	-5.2%	338,000	-1.5%	2,845,000	0.6%	3,260,000	14.6%	3,207,000	-1.6%	2,645,000	-17.5%
Building Supply Stores	149,000	1.4%	178,000	19.5%	229,000	28.7%	190,000	-17.0%	1,548,000	9.1%	1,606,000	3.7%	1,566,000	-2.5%	1,738,000	11.0%
All Other Retail	706,000	42.6%	615,000	-12.9%	686,000	11.5%	685,000	-0.1%	7,016,000	33.1%	6,242,000	-11.0%	6,307,000	1.0%	6,902,000	9.4%
Totals	4,820,000	13.7%	5,583,000	15.8%	5,058,000	-9.4%	5,472,000	8.2%	46,152,000	16.0%	48,518,000	5.1%	49,955,000	3.0%	53,116,000	6.3%
Tax Revenues - Business Districts																
Elliot Corridor	1,233,000	-35.3%	1,545,000	25.3%	1,446,000	-6.4%	1,483,000	2.6%	11,426,000	18.8%	12,025,000	5.2%	13,652,000	13.5%	14,442,000	5.8%
Autoplex (included in Elliot Corridor)	485,000	-25.5%	645,000	33.0%	611,000	-5.3%	655,000	7.2%	4,165,000	22.8%	4,737,000	13.7%	5,570,000	17.6%	5,998,000	7.7%
Market Place	384,000	-45.5%	532,000	38.5%	451,000	-15.2%	472,000	4.7%	3,796,000	9.7%	4,131,000	8.8%	4,320,000	4.6%	4,459,000	3.2%
Mills Mall	547,000	-35.7%	626,000	14.4%	530,000	-15.3%	527,000	-0.6%	4,695,000	17.0%	4,956,000	5.6%	4,885,000	-1.4%	4,808,000	-1.6%
Downtown Tempe	317,000	-41.6%	401,000	26.5%	374,000	-6.7%	432,000	15.5%	2,397,000	13.5%	2,789,000	16.4%	2,801,000	0.4%	3,256,000	16.2%
Apache Blvd.	198,000	-42.3%	356,000	79.8%	227,000	-36.2%	308,000	35.7%	1,703,000	15.2%	1,775,000	4.2%	1,717,000	-3.3%	1,973,000	14.9%
ASU Properties	136,000	-26.5%	179,000	31.6%	141,000	-21.2%	145,000	2.8%	1,295,000	45.0%	1,592,000	22.9%	1,643,000	3.2%	1,789,000	8.9%
Rio Salado (1.8% and 3.0% Bed Tax)	225,000	-36.6%	310,000	37.8%	334,000	7.7%	275,000	-17.7%	2,146,000	20.2%	2,300,000	7.2%	2,207,000	-4.0%	2,387,000	8.2%
All Other Areas	6,454,000	-43.8%	7,109,000	10.1%	6,794,000	-4.4%	6,934,000	2.1%	61,811,000	9.5%	64,201,000	3.9%	64,852,000	1.0%	68,043,000	4.9%

Privilege Tax Revenue - General Fund (1.2%)
2013-14 Actual Compared to Budget

Monthly Amounts

	2013-14 Budget		2013-14 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
Jul	8.5%	6,558,000	6,743,000	185,000	2.8%
Aug	8.0%	6,172,000	6,314,000	142,000	2.3%
Sep	8.1%	6,250,000	6,279,000	29,000	0.5%
Oct	8.5%	6,558,000	6,552,000	(6,000)	-0.1%
Nov	7.9%	6,095,000	6,152,000	57,000	0.9%
Dec	7.8%	6,018,000	5,978,000	(40,000)	-0.7%
Jan	9.7%	7,484,000	7,525,000	41,000	0.5%
Feb	7.9%	6,095,000	5,970,000	(125,000)	-2.1%
Mar	8.0%	6,172,000	5,834,000	(338,000)	-5.5%
Apr	9.1%	7,021,000			
May	8.4%	6,481,000			
Jun	8.1%	6,252,000			
Totals	100.0%	77,156,000	57,347,000	(55,000)	

Cumulative Amounts

	2013-14 Budget		2013-14 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
Jul	8.5%	6,558,000	6,743,000	185,000	2.8%
Jul-Aug	16.5%	12,730,000	13,057,000	327,000	2.6%
Jul-Sep	24.6%	18,980,000	19,336,000	356,000	1.9%
Jul-Oct	33.1%	25,538,000	25,888,000	350,000	1.4%
Jul-Nov	41.0%	31,633,000	32,040,000	407,000	1.3%
Jul-Dec	48.8%	37,651,000	38,018,000	367,000	1.0%
Jul-Jan	58.5%	45,135,000	45,543,000	408,000	1.0%
Jul-Feb	66.4%	51,230,000	51,513,000	283,000	0.6%
Jul-Mar	74.4%	57,402,000	57,347,000	(55,000)	-0.1%
Jul-Apr	83.5%	64,423,000			
Jul-May	91.9%	70,904,000			
Jul-Jun	100.0%	77,156,000			

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Overage/Shortage	
	Projected	Budgeted	Amount	Percent
Percent of Increase	77,401,000	77,156,000	245,000	0.3%
Percentage Received	77,079,000	77,156,000	(77,000)	-0.1%

Temporary Privilege Tax Revenue - General Fund (0.2%)
Year-to-Date Comparison - March

Monthly Amounts

	2013-14 Budget		2013-14 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
Jul	8.5%	971,000	1,001,000	30,000	3.1%
Aug	8.0%	914,000	943,000	29,000	3.2%
Sep	8.1%	926,000	916,000	(10,000)	-1.1%
Oct	8.5%	971,000	962,000	(9,000)	-0.9%
Nov	7.9%	903,000	909,000	6,000	0.7%
Dec	7.8%	891,000	881,000	(10,000)	-1.1%
Jan	9.7%	1,108,000	1,093,000	(15,000)	-1.4%
Feb	7.9%	903,000	890,000	(13,000)	-1.4%
Mar	8.0%	914,000	861,000	(53,000)	-5.8%
Apr	9.1%	1,040,000			
May	8.4%	960,000			
Jun	8.1%	925,000			
Totals	100.0%	11,426,000	8,456,000	(45,000)	

Cumulative Amounts

	2013-14 Budget		2013-14 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
Jul	8.5%	971,000	1,001,000	30,000	3.1%
Jul-Aug	16.5%	1,885,000	1,944,000	59,000	3.1%
Jul-Sep	24.6%	2,811,000	2,860,000	49,000	1.7%
Jul-Oct	33.1%	3,782,000	3,822,000	40,000	1.1%
Jul-Nov	41.0%	4,685,000	4,731,000	46,000	1.0%
Jul-Dec	48.8%	5,576,000	5,612,000	36,000	0.6%
Jul-Jan	58.5%	6,684,000	6,705,000	21,000	0.3%
Jul-Feb	66.4%	7,587,000	7,595,000	8,000	0.1%
Jul-Mar	74.3%	8,501,000	8,456,000	(45,000)	-0.5%
Jul-Apr	83.4%	9,541,000			
Jul-May	91.8%	10,501,000			
Jul-Jun	100.0%	11,426,000			

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Overage/Shortage	
	Projected	Budgeted	Amount	Percent
Percentage Increase	11,412,000	11,426,000	(14,000)	-0.1%
Percentage Received	11,381,000	11,426,000	(45,000)	-0.4%