

Memorandum



Finance and Technology Department

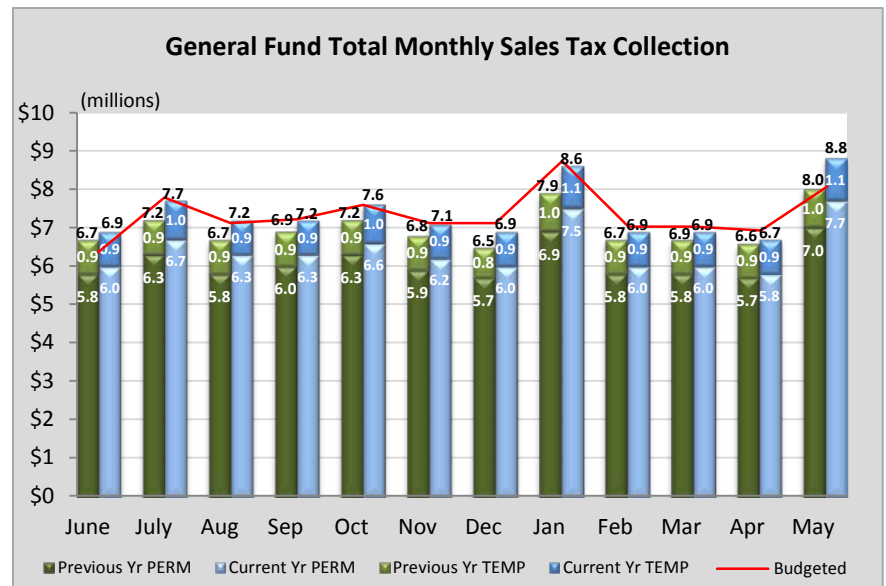
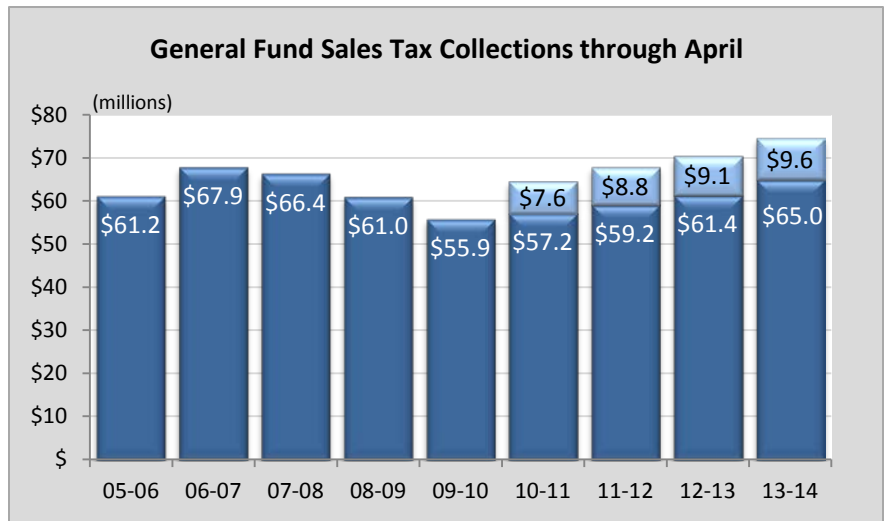
Date: May 16, 2014
To: Mayor and Council
From: Ken Jones, Finance and Technology Director (350-8504)
Subject: Tax Revenue Statistical Report – **April 2014**

Attached is the Executive Summary of the Tax Revenue Statistical Report for April 2014 covering March sales activity reported to our Tax and License Division in April.

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 5.8% from the same period in the prior fiscal year. In terms of actual dollars received (\$74.6 million), we are \$4.0 million ahead of last fiscal year (\$70.6 million). Of the total amount collected through April, \$9.6 million was from the temporary sales tax, which expires next month. While Contracting continues to realize the greatest percentage growth, the leading category of growth in terms of dollars received was Retail, at \$3.4 million. When further analyzing Retail activity by breakdown, the Furniture/Equipment/Electronics sector led with a 13.6% 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 0.2%, or \$107 thousand above forecast through March, not including revenues resulting from large audits.



Executive Summary

Current Month -April									Fiscal Year to Date through April							
	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	564,646,000	4.7%	531,338,000	-5.9%	617,819,000	16.3%	675,967,000	9.4%	5,069,898,000	1.7%	5,174,625,000	2.1%	5,374,027,000	3.9%	5,682,571,000	5.7%
Retail Taxable Sales	285,777,000	5.9%	267,432,000	-6.4%	321,656,000	20.3%	327,516,000	1.8%	2,597,299,000	7.5%	2,628,500,000	1.2%	2,765,030,000	5.2%	2,917,521,000	5.5%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	6,337,000	4.1%	5,991,000	-5.5%	6,949,000	16.0%	7,677,000	10.5%	57,197,000	2.3%	59,241,000	3.6%	61,444,000	3.7%	65,024,000	5.8%
Temporary Privilege Tax - General Fund	935,000		897,000	-4.1%	1,027,000	14.5%	1,106,000	7.7%	7,637,000		8,771,000	14.8%	9,118,000	4.0%	9,562,000	4.9%
Transit Tax Fund (.5%)	2,640,000	4.0%	2,499,000	-5.3%	2,896,000	15.9%	3,201,000	10.5%	23,842,000	2.3%	24,704,000	3.6%	25,621,000	3.7%	27,129,000	5.9%
Arts Tax Fund (.1%)	544,000	3.4%	518,000	-4.8%	598,000	15.4%	661,000	10.5%	4,922,000	2.2%	5,106,000	3.7%	5,295,000	3.7%	5,602,000	5.8%
Privilege Tax - Rebates Fund	319,000	-23.9%	352,000	10.3%	354,000	0.6%	384,000	8.5%	3,627,000	-0.4%	3,189,000	-12.1%	3,292,000	3.2%	3,436,000	4.4%
Bed Tax Fund	658,000	71.8%	673,000	2.3%	666,000	-1.0%	900,000	35.1%	3,477,000	66.6%	3,688,000	6.1%	3,797,000	3.0%	4,333,000	14.1%
Totals	11,433,000	14.8%	10,930,000	-4.4%	12,490,000	14.3%	13,929,000	11.5%	100,702,000	12.2%	104,699,000	4.0%	108,567,000	3.7%	115,086,000	6.0%
Tax Revenues - Business Activities																
Retail	5,735,000	14.7%	5,467,000	-4.7%	6,593,000	20.6%	6,800,000	3.1%	51,887,000	15.9%	53,985,000	4.0%	56,548,000	4.7%	59,916,000	6.0%
Rentals	2,160,000	13.0%	2,100,000	-2.8%	2,290,000	9.0%	2,378,000	3.8%	19,076,000	10.1%	19,632,000	2.9%	20,235,000	3.1%	20,225,000	0.0%
Utilities/Communication	723,000	5.9%	693,000	-4.1%	704,000	1.6%	832,000	18.2%	8,787,000	8.2%	8,813,000	0.3%	9,049,000	2.7%	9,391,000	3.8%
Restaurants	963,000	8.2%	907,000	-5.8%	1,060,000	16.9%	1,201,000	13.3%	7,862,000	11.6%	8,359,000	6.3%	8,645,000	3.4%	9,507,000	10.0%
Contracting	621,000	28.8%	500,000	-19.5%	595,000	19.0%	1,109,000	86.4%	5,054,000	-20.1%	5,680,000	12.4%	5,622,000	-1.0%	6,846,000	21.8%
Hotel/Motel	316,000	12.5%	356,000	12.7%	322,000	-9.6%	420,000	30.4%	1,842,000	11.3%	2,034,000	10.4%	1,966,000	-3.3%	2,231,000	13.5%
Transient (Bed Tax)	658,000	71.8%	674,000	2.4%	666,000	-1.2%	901,000	35.3%	3,478,000	66.6%	3,688,000	6.0%	3,797,000	3.0%	4,334,000	14.1%
Amusements	147,000	-34.4%	144,000	-2.0%	135,000	-6.3%	138,000	2.2%	1,539,000	6.0%	1,478,000	-4.0%	1,301,000	-12.0%	1,380,000	6.1%
All Other	110,000	11.1%	89,000	-19.1%	125,000	40.4%	150,000	20.0%	1,177,000	18.5%	1,030,000	-12.5%	1,404,000	36.3%	1,256,000	-10.5%
Totals	11,433,000	14.8%	10,930,000	-4.4%	12,490,000	14.3%	13,929,000	11.5%	100,702,000	12.2%	104,699,000	4.0%	108,567,000	3.7%	115,086,000	6.0%
Tax Revenues - Retail Activities Breakdown																
Automotive	829,000	21.9%	871,000	5.1%	976,000	12.1%	1,114,000	14.1%	7,180,000	21.9%	7,977,000	11.1%	8,911,000	11.7%	9,805,000	10.0%
Furniture/Equipment/Electronics	1,130,000	11.4%	1,215,000	7.5%	1,466,000	20.7%	1,545,000	5.4%	10,914,000	16.6%	11,598,000	6.3%	12,267,000	5.8%	13,933,000	13.6%
Department Stores	1,088,000	10.9%	1,125,000	3.4%	1,185,000	5.3%	1,153,000	-2.7%	9,646,000	13.7%	10,194,000	5.7%	10,506,000	3.1%	10,410,000	-0.9%
Grocery Stores	632,000	11.7%	541,000	-14.4%	902,000	66.7%	690,000	-23.5%	5,772,000	7.2%	6,012,000	4.2%	6,355,000	5.7%	6,632,000	4.4%
Drugs/Small Stores	638,000	10.0%	552,000	-13.5%	637,000	15.4%	663,000	4.1%	5,548,000	11.8%	5,933,000	6.9%	6,002,000	1.2%	6,216,000	3.6%
Manufacturing Firms	325,000	18.6%	268,000	-17.5%	320,000	19.4%	420,000	31.3%	3,170,000	2.2%	3,528,000	11.3%	3,527,000	0.0%	3,065,000	-13.1%
Building Supply Stores	192,000	6.7%	139,000	-27.6%	211,000	51.8%	219,000	3.8%	1,740,000	8.8%	1,745,000	0.3%	1,777,000	1.8%	1,957,000	10.1%
All Other Retail	901,000	24.1%	756,000	-16.1%	896,000	18.5%	996,000	11.2%	7,917,000	32.0%	6,998,000	-11.6%	7,203,000	2.9%	7,898,000	9.6%
Totals	5,735,000	14.7%	5,467,000	-4.7%	6,593,000	20.6%	6,800,000	3.1%	51,887,000	15.9%	53,985,000	4.0%	56,548,000	4.7%	59,916,000	6.0%
Tax Revenues - Business Districts																
Elliot Corridor	1,298,000	5.8%	1,470,000	13.3%	1,782,000	21.2%	1,799,000	1.0%	12,724,000	17.3%	13,495,000	6.1%	15,434,000	14.4%	16,241,000	5.2%
Autoplex (included in Elliot Corridor)	561,000	26.6%	604,000	7.7%	678,000	12.3%	727,000	7.2%	4,726,000	23.3%	5,341,000	13.0%	6,248,000	17.0%	6,725,000	7.6%
Market Place	469,000	3.5%	526,000	12.2%	532,000	1.1%	570,000	7.1%	4,265,000	9.0%	4,657,000	9.2%	4,852,000	4.2%	5,029,000	3.6%
Mills Mall	640,000	12.7%	664,000	3.8%	653,000	-1.7%	637,000	-2.5%	5,335,000	16.5%	5,620,000	5.3%	5,538,000	-1.5%	5,445,000	-1.7%
Downtown Tempe	399,000	30.4%	411,000	3.0%	417,000	1.5%	561,000	34.5%	2,796,000	15.7%	3,200,000	14.4%	3,218,000	0.6%	3,817,000	18.6%
Apache Blvd.	263,000	13.4%	210,000	-20.2%	289,000	37.6%	303,000	4.8%	1,966,000	15.0%	1,985,000	1.0%	2,006,000	1.1%	2,276,000	13.5%
ASU Properties	161,000	-6.4%	193,000	19.9%	216,000	11.9%	252,000	16.7%	1,456,000	36.7%	1,785,000	22.6%	1,859,000	4.1%	2,041,000	9.8%
Rio Salado (1.8% and 3.0% Bed Tax)	321,000	30.0%	265,000	-17.4%	362,000	36.6%	415,000	14.6%	2,467,000	21.3%	2,565,000	4.0%	2,569,000	0.2%	2,802,000	9.1%
All Other Areas	7,882,000	16.8%	7,191,000	-8.8%	8,239,000	14.6%	9,392,000	14.0%	69,693,000	10.2%	71,392,000	2.4%	73,091,000	2.4%	77,435,000	5.9%

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	6,315,000	143,000	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	7,676,000	655,000	9.3%
May	8.4%	6,481,000			
Jun	8.1%	6,252,000			
Totals	100.0%	77,156,000	65,024,000	601,000	

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	13,058,000	328,000	2.6%
Jul-Sep	24.6%	18,980,000	19,337,000	357,000	1.9%
Jul-Oct	33.1%	25,538,000	25,889,000	351,000	1.4%
Jul-Nov	41.0%	31,633,000	32,041,000	408,000	1.3%
Jul-Dec	48.8%	37,651,000	38,019,000	368,000	1.0%
Jul-Jan	58.5%	45,135,000	45,544,000	409,000	1.0%
Jul-Feb	66.4%	51,230,000	51,514,000	284,000	0.6%
Jul-Mar	74.4%	57,402,000	57,348,000	(54,000)	-0.1%
Jul-Apr	83.5%	64,423,000	65,024,000	601,000	0.9%
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	77,835,000	77,156,000	679,000	0.9%
Percentage Received	77,873,000	77,156,000	717,000	0.9%

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

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	1,106,000	66,000	6.3%
May	8.4%	960,000			
Jun	8.1%	925,000			
Totals	100.0%	11,426,000	9,562,000	21,000	

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	9,562,000	21,000	0.2%
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	11,451,000	11,426,000	25,000	0.2%
Percentage Received	11,465,000	11,426,000	39,000	0.3%