

Memorandum

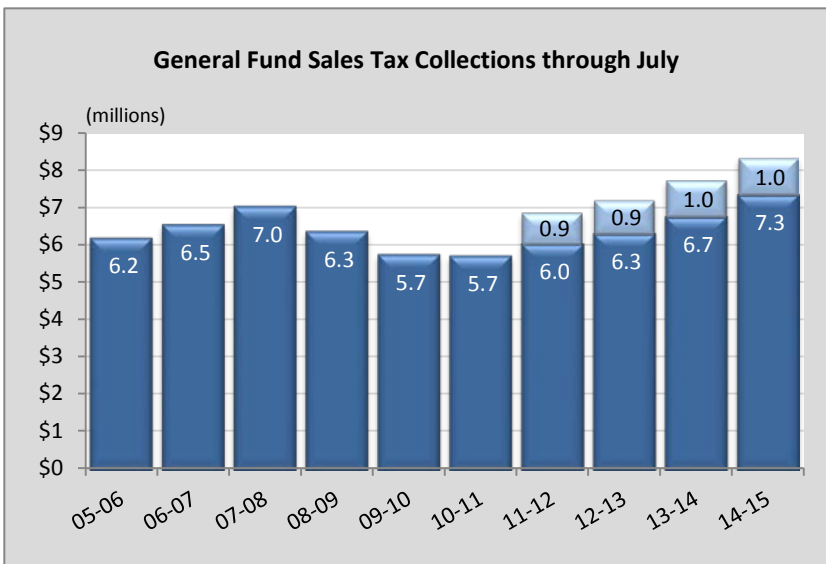


Finance and Technology Department

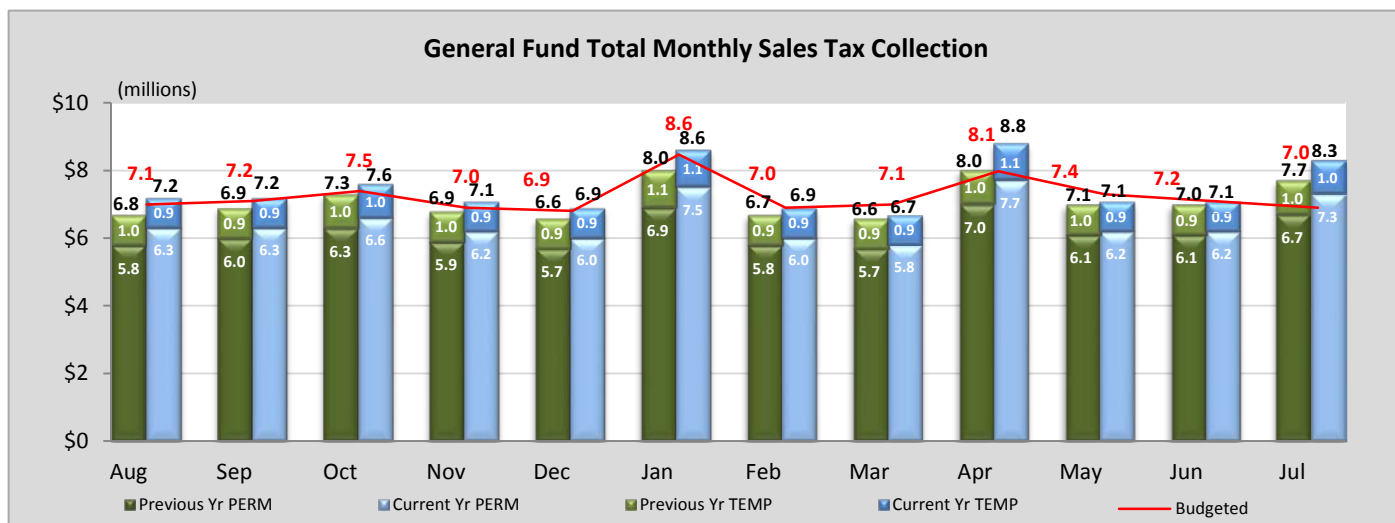
Date: August 22, 2014
 To: Mayor and Council
 From: Ken Jones, Deputy City Manager, CFO (350-8504)
 Subject: Tax Revenue Statistical Report – July 2014

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

The graph to the right depicts year-to-date General Fund historical privilege tax revenue from FY 2005-06 through FY 2014-15. General Fund Sales Tax revenue collected for the first month of FY 2014-15 is up 7.7% from the same period in the prior fiscal year. In terms of actual dollars received (\$8.3 million), we are \$0.6 million ahead of last fiscal year (\$7.7 million). Of the total amount collected through July, \$1.0 million was from the temporary sales tax, generated during June, the final month of the tax. Contracting lead all categories of growth with a significant 89.7% or \$651,000 growth over last year at this time.



Although sales taxes are not budgeted on a monthly basis, the graph below applies historical collection percentages to the annual budget to gain insight into sales tax performance. Using this approach, sales tax collections in the General Fund are \$1.3 million above budget due to the collection of temporary sales tax revenue related to sales activity in June. The \$1 million temporary sales tax will be accrued back to June for financial reporting.



Executive Summary Year-to-Date Comparison - July

	2011-12	Change	2012-13	Change	2013-14	Change	2014-15	Change
Taxable Sales								
Total Taxable Sales	520,450,000	4.2%	545,996,000	4.9%	584,815,000	7.1%	630,586,000	7.8%
Retail Taxable Sales	250,367,000	1.8%	278,237,000	11.1%	296,411,000	6.5%	305,430,000	3.0%
Tax Revenues by Funds								
Privilege Tax - General Fund (1.2%)	6,008,000	5.6%	6,280,000	4.5%	6,741,000	7.3%	7,326,000	8.7%
Temporary Privilege Tax (.2%)	874,000		933,000	6.8%	1,001,000	7.3%	1,013,000	1.2%
Transit Tax Fund (.5%)	2,510,000	5.8%	2,619,000	4.3%	2,813,000	7.4%	3,055,000	8.6%
Arts Tax Fund (.1%)	516,000	5.5%	540,000	4.7%	579,000	7.2%	628,000	8.5%
Privilege Tax - Rebates Fund	302,000	-16.3%	326,000	7.9%	327,000	0.3%	343,000	4.9%
Bed Tax Fund	244,000	75.5%	240,000	-1.6%	279,000	16.3%	325,000	16.5%
Totals	10,454,000	15.5%	10,938,000	4.6%	11,740,000	7.3%	12,690,000	8.1%

Tax Revenues - Business Activities

Retail	5,263,000	15.1%	5,673,000	7.8%	6,219,000	9.6%	6,331,000	1.8%
Rentals	2,055,000	13.3%	2,229,000	8.5%	2,236,000	0.3%	2,242,000	0.3%
Utilities/Communication	921,000	4.5%	967,000	5.0%	964,000	-0.3%	1,078,000	11.8%
Restaurants	785,000	23.6%	808,000	2.9%	880,000	8.9%	906,000	3.0%
Contracting	789,000	24.6%	615,000	-22.1%	726,000	18.0%	1,377,000	89.7%
Hotel/Motel	145,000	23.9%	139,000	-4.1%	162,000	16.5%	164,000	1.2%
Transient (Bed Tax)	244,000	74.3%	240,000	-1.6%	280,000	16.7%	326,000	16.4%
Amusements	148,000	8.0%	153,000	3.4%	177,000	15.7%	162,000	-8.5%
All Other	104,000	-14.0%	114,000	9.6%	96,000	-15.8%	104,000	8.3%
Totals	10,454,000	15.5%	10,938,000	4.6%	11,740,000	7.3%	12,690,000	8.1%

Tax Revenues - Retail Activities Breakdown

Automotive	749,000	26.5%	872,000	16.4%	951,000	9.1%	1,050,000	10.4%
Furniture/Equipment/Electronics	1,140,000	11.9%	1,300,000	14.0%	1,722,000	32.5%	1,516,000	-12.0%
Department Stores	939,000	19.3%	972,000	3.5%	957,000	-1.5%	962,000	0.5%
Grocery Stores	583,000	9.6%	585,000	0.3%	610,000	4.3%	654,000	7.2%
Drugs/Small Stores	578,000	14.7%	546,000	-5.5%	573,000	4.9%	625,000	9.1%
Manufacturing Firms	323,000	23.3%	315,000	-2.5%	292,000	-7.3%	320,000	9.6%
Building Supply Stores	186,000	-1.6%	189,000	1.6%	189,000	0.0%	195,000	3.2%
All Other Retail	765,000	11.0%	894,000	16.9%	925,000	3.5%	1,009,000	9.1%
Totals	5,263,000	15.1%	5,673,000	7.8%	6,219,000	9.6%	6,331,000	1.8%

Tax Revenues - Business Districts

Elliot Corridor	1,197,000	10.1%	1,520,000	27.0%	1,686,000	10.9%	1,773,000	5.2%
Autoplex (included in Elliot Corridor)	473,000	27.2%	582,000	23.0%	650,000	11.7%	698,000	7.4%
Market Place	428,000	11.7%	483,000	12.9%	476,000	-1.4%	507,000	6.5%
Mills Mall	525,000	13.4%	542,000	3.2%	529,000	-2.4%	507,000	-4.2%
Downtown Tempe	244,000	44.4%	265,000	8.6%	297,000	12.1%	344,000	15.8%
Apache Blvd.	179,000	17.0%	194,000	8.4%	204,000	5.2%	247,000	21.1%
ASU Properties	108,000	71.4%	131,000	21.3%	139,000	6.1%	166,000	19.4%
Rio Salado	230,000	6.5%	211,000	-8.3%	288,000	36.5%	285,000	-1.0%
All Other Areas	7,543,000	15.7%	7,592,000	0.6%	8,121,000	7.0%	8,861,000	9.1%

**Privilege Tax Revenue - General Fund (1.2%)
2014-15 Actual Compared to Budget**

Monthly Amounts

	2014-15 Budget		2014-15 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
Jul	8.5%	6,960,000	7,326,000	366,000	5.3%
Aug	8.0%	6,551,000			
Sep	8.2%	6,715,000			
Oct	8.5%	6,960,000			
Nov	8.0%	6,551,000			
Dec	7.8%	6,387,000			
Jan	9.5%	7,779,000			
Feb	7.9%	6,469,000			
Mar	7.9%	6,469,000			
Apr	9.3%	7,615,000			
May	8.3%	6,798,000			
Jun	8.1%	6,633,000			
Totals	100.0%	81,887,000	7,326,000	366,000	

Cumulative Amounts

	2014-15 Budget		2014-15 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
Jul	8.5%	6,960,000	7,326,000	366,000	5.3%
Jul-Aug	16.5%	13,511,000			
Jul-Sep	24.7%	20,226,000			
Jul-Oct	33.2%	27,186,000			
Jul-Nov	41.2%	33,737,000			
Jul-Dec	49.0%	40,124,000			
Jul-Jan	58.5%	47,903,000			
Jul-Feb	66.4%	54,372,000			
Jul-Mar	74.3%	60,841,000			
Jul-Apr	83.6%	68,456,000			
Jul-May	91.9%	75,254,000			
Jul-Jun	100.0%	81,887,000			

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Overage/Shortage	
	Projected	Budgeted	Amount	Percent
Percent of Increase	84,106,000	81,887,000	2,219,000	2.7%
Percentage Received	86,188,000	81,887,000	4,301,000	5.3%

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

Monthly Amounts

	2011-12	%	2012-13	%	2013-14	%	2014-15	%
Jul	874,000		933,000	6.8%	1,001,000	7.3%	1,013,000	1.2%
Aug	848,000	8.2%	868,000	2.4%	943,000	8.6%		
Sep	854,000	3.8%	892,000	4.4%	916,000	2.7%		
Oct	876,000	7.2%	928,000	5.9%	962,000	3.7%		
Nov	870,000	8.6%	865,000	-0.6%	909,000	5.1%		
Dec	838,000	4.9%	853,000	1.8%	881,000	3.3%		
Jan	961,000	-4.2%	1,025,000	6.7%	1,093,000	6.6%		
Feb	844,000	-0.7%	861,000	2.0%	890,000	3.4%		
Mar	910,000	14.3%	865,000	-4.9%	861,000	-0.5%		
Apr	897,000	-4.0%	1,027,000	14.5%	1,106,000	7.7%		
May	922,000	7.1%	897,000	-2.7%	906,000	1.0%		
Jun	868,000	5.0%	904,000	4.1%	912,000	0.9%		
Totals	10,562,000	13.3%	10,918,000	3.4%	11,380,000	4.2%	1,013,000	

Cumulative Amounts

	2011-12	%	2012-13	%	2013-14	%	2014-15	%
Jul	874,000		933,000	6.8%	1,001,000	7.3%	1,013,000	1.2%
Jul-Aug	1,722,000	119.6%	1,801,000	4.6%	1,944,000	7.9%		
Jul-Sep	2,576,000	60.3%	2,693,000	4.5%	2,860,000	6.2%		
Jul-Oct	3,452,000	40.7%	3,621,000	4.9%	3,822,000	5.6%		
Jul-Nov	4,322,000	32.8%	4,486,000	3.8%	4,731,000	5.5%		
Jul-Dec	5,160,000	27.3%	5,339,000	3.5%	5,612,000	5.1%		
Jul-Jan	6,121,000	21.0%	6,364,000	4.0%	6,705,000	5.4%		
Jul-Feb	6,965,000	17.9%	7,225,000	3.7%	7,595,000	5.1%		
Jul-Mar	7,875,000	17.5%	8,090,000	2.7%	8,456,000	4.5%		
Jul-Apr	8,772,000	14.9%	9,117,000	3.9%	9,562,000	4.9%		
Jul-May	9,694,000	14.1%	10,014,000	3.3%	10,468,000	4.5%		
Jul-Jun	10,562,000	13.3%	10,918,000	3.4%	11,380,000	4.2%		