

# Memorandum

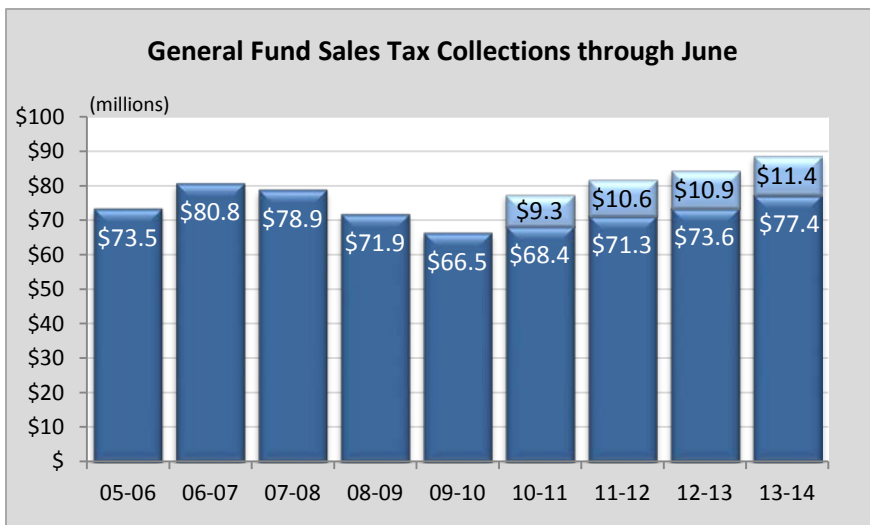


## Finance and Technology Department

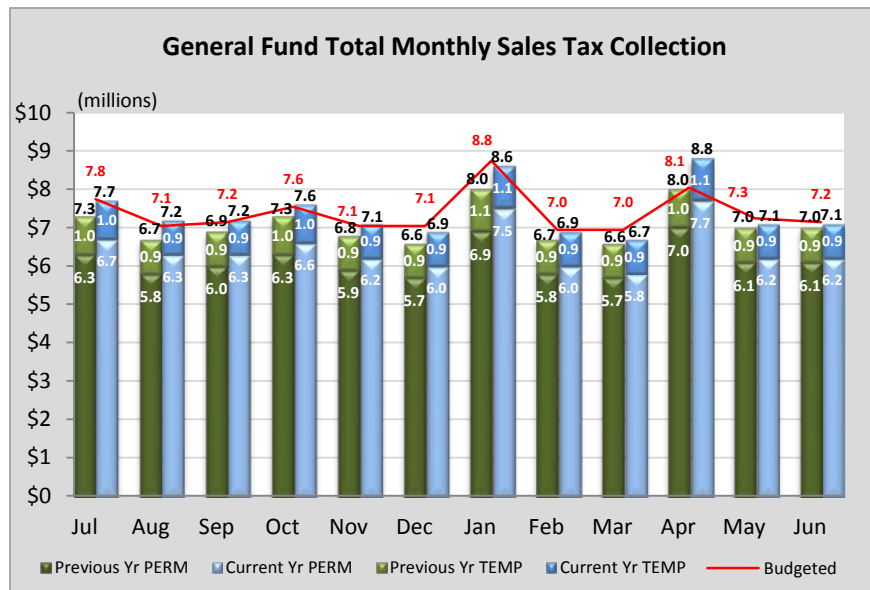
Date: July 18, 2014  
 To: Mayor and Council  
 From: Ken Jones, Deputy City Manager, CFO (350-8504)  
 Subject: Tax Revenue Statistical Report – **June 2014**

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

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 (\$88.8 million), we are \$4.3 million ahead of last fiscal year (\$84.5 million). Of the total amount collected through June, \$11.4 million was from the temporary sales tax, which expired at the end of June. While Contracting continues to realize the greatest percentage growth, the leading category of growth in terms of dollars received was Retail, at \$3.6 million. When further analyzing Retail activity by breakdown, the Automotive sector led with a 10.5% 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.



Sales tax collections in the General Fund for tax periods collected and reported through June are \$507 thousand (.57%) below the total annual budget. General Fund audit collections of sales taxes applicable to prior periods are excluded from this trend analysis and total \$2.1 million for the year. This is an unusually high one-time revenue amount.

## Executive Summary

### Current Month -June

### Fiscal Year to Date through June

	Current Month -June								Fiscal Year to Date through June							
	2010-11	Change	2011-12	Change	2012-13	Change	2013-14	Change	2010-11	Change	2011-12	Change	2012-13	Change	2013-14	Change
<b>Taxable Sales</b>																
Total Taxable Sales	467,796,000	-0.4%	504,325,000	7.8%	540,790,000	7.2%	542,685,000	0.4%	6,040,937,000	2.1%	6,229,841,000	3.1%	6,447,966,000	3.5%	6,771,749,000	5.0%
Retail Taxable Sales	243,543,000	0.1%	259,137,000	6.4%	283,152,000	9.3%	280,016,000	-1.1%	3,105,854,000	7.4%	3,166,369,000	1.9%	3,319,152,000	4.8%	3,475,742,000	4.7%
<b>Tax Revenues by Funds</b>																
Privilege Tax - General Fund (1.2%)	5,439,000	2.0%	5,793,000	6.5%	6,049,000	4.4%	6,193,000	2.4%	68,420,000	2.9%	71,287,000	4.2%	73,551,000	3.2%	77,393,000	5.2%
Temporary Privilege Tax - General Fund	827,000		868,000	5.0%	904,000	4.1%	912,000	0.9%	9,325,000		10,562,000	13.3%	10,918,000	3.4%	11,380,000	4.2%
Transit Tax Fund (.5%)	2,266,000	1.3%	2,437,000	7.5%	2,520,000	3.4%	2,582,000	2.5%	28,518,000	2.8%	29,749,000	4.3%	30,674,000	3.1%	32,287,000	5.3%
Arts Tax Fund (.1%)	467,000	1.1%	503,000	7.7%	520,000	3.4%	534,000	2.7%	5,885,000	2.7%	6,146,000	4.4%	6,337,000	3.1%	6,668,000	5.2%
Privilege Tax - Rebates Fund	271,000	-29.2%	352,000	29.9%	309,000	-12.2%	335,000	8.4%	4,148,000	-5.2%	3,853,000	-7.1%	3,917,000	1.7%	4,093,000	4.5%
Bed Tax Fund	327,000	67.7%	371,000	13.5%	360,000	-3.0%	393,000	9.2%	4,246,000	68.4%	4,527,000	6.6%	4,690,000	3.6%	5,253,000	12.0%
<b>Totals</b>	<b>9,597,000</b>	<b>11.5%</b>	<b>10,324,000</b>	<b>7.6%</b>	<b>10,662,000</b>	<b>3.3%</b>	<b>10,949,000</b>	<b>2.7%</b>	<b>120,542,000</b>	<b>12.8%</b>	<b>126,124,000</b>	<b>4.6%</b>	<b>130,087,000</b>	<b>3.1%</b>	<b>137,074,000</b>	<b>5.4%</b>
<b>Tax Revenues - Business Activities</b>																
Retail	5,095,000	14.2%	5,352,000	5.0%	5,620,000	5.0%	5,744,000	2.2%	62,373,000	16.4%	64,975,000	4.2%	67,744,000	4.3%	71,332,000	5.3%
Rentals	1,759,000	15.0%	1,844,000	4.8%	1,869,000	1.4%	1,835,000	-1.8%	22,664,000	10.8%	23,504,000	3.7%	24,019,000	2.2%	23,946,000	-0.3%
Utilities/Communication	799,000	-8.1%	897,000	12.3%	914,000	1.9%	929,000	1.6%	10,300,000	6.6%	10,442,000	1.4%	10,678,000	2.3%	11,157,000	4.5%
Restaurants	830,000	13.9%	845,000	1.8%	894,000	5.8%	993,000	11.1%	9,583,000	12.6%	10,290,000	7.4%	10,496,000	2.0%	11,498,000	9.5%
Contracting	391,000	-12.3%	548,000	40.2%	578,000	5.5%	616,000	6.6%	5,969,000	-17.1%	6,831,000	14.4%	6,817,000	-0.2%	8,088,000	18.6%
Hotel/Motel	184,000	17.2%	198,000	7.6%	190,000	-4.0%	208,000	9.5%	2,252,000	12.8%	2,480,000	10.1%	2,473,000	-0.3%	2,711,000	9.6%
Transient (Bed Tax)	328,000	68.2%	372,000	13.4%	362,000	-2.7%	393,000	8.6%	4,247,000	68.3%	4,527,000	6.6%	4,691,000	3.6%	5,254,000	12.0%
Amusements	136,000	0.7%	163,000	19.9%	141,000	-13.5%	148,000	5.0%	1,797,000	3.8%	1,754,000	-2.4%	1,572,000	-10.4%	1,659,000	5.5%
All Other	75,000	-17.6%	105,000	40.0%	94,000	-10.5%	83,000	-11.7%	1,357,000	14.0%	1,321,000	-2.7%	1,597,000	20.9%	1,429,000	-10.5%
<b>Totals</b>	<b>9,597,000</b>	<b>11.5%</b>	<b>10,324,000</b>	<b>7.6%</b>	<b>10,662,000</b>	<b>3.3%</b>	<b>10,949,000</b>	<b>2.7%</b>	<b>120,542,000</b>	<b>12.8%</b>	<b>126,124,000</b>	<b>4.6%</b>	<b>130,087,000</b>	<b>3.1%</b>	<b>137,074,000</b>	<b>5.4%</b>
<b>Tax Revenues - Retail Activities Breakdown</b>																
Automotive	774,000	10.6%	1,006,000	30.0%	993,000	-1.3%	1,136,000	14.4%	8,741,000	21.5%	9,946,000	13.8%	10,842,000	9.0%	11,980,000	10.5%
Furniture/Equipment/Electronics	1,038,000	7.0%	1,029,000	-0.9%	1,333,000	29.5%	1,217,000	-8.7%	13,078,000	16.5%	13,700,000	4.8%	14,833,000	8.3%	16,334,000	10.1%
Department Stores	926,000	14.3%	938,000	1.3%	932,000	-0.6%	938,000	0.6%	11,517,000	14.3%	12,139,000	5.4%	12,359,000	1.8%	12,347,000	-0.1%
Grocery Stores	562,000	7.5%	612,000	8.9%	617,000	0.8%	656,000	6.3%	6,914,000	7.4%	7,304,000	5.6%	7,602,000	4.1%	7,978,000	4.9%
Drugs/Small Stores	511,000	9.2%	556,000	8.8%	551,000	-0.9%	593,000	7.6%	6,622,000	12.1%	7,118,000	7.5%	7,111,000	-0.1%	7,379,000	3.8%
Manufacturing Firms	262,000	23.0%	302,000	15.3%	281,000	-7.0%	271,000	-3.6%	3,756,000	4.9%	4,120,000	9.7%	4,133,000	0.3%	3,642,000	-11.9%
Building Supply Stores	180,000	4.0%	185,000	2.8%	202,000	9.2%	202,000	0.0%	2,118,000	8.1%	2,186,000	3.2%	2,267,000	3.7%	2,374,000	4.7%
All Other Retail	842,000	39.9%	724,000	-14.0%	711,000	-1.8%	731,000	2.8%	9,627,000	33.7%	8,462,000	-12.1%	8,597,000	1.6%	9,298,000	8.2%
<b>Totals</b>	<b>5,095,000</b>	<b>14.3%</b>	<b>5,352,000</b>	<b>5.0%</b>	<b>5,620,000</b>	<b>5.0%</b>	<b>5,744,000</b>	<b>2.2%</b>	<b>62,373,000</b>	<b>16.4%</b>	<b>64,975,000</b>	<b>4.2%</b>	<b>67,744,000</b>	<b>4.3%</b>	<b>71,332,000</b>	<b>5.3%</b>
<b>Tax Revenues - Business Districts</b>																
Elliot Corridor	1,268,000	7.5%	1,471,000	16.0%	1,761,000	19.7%	1,699,000	-3.5%	15,284,000	16.6%	16,433,000	7.5%	18,758,000	14.1%	19,472,000	3.8%
Autoplex (included in Elliot Corridor)	503,000	5.7%	697,000	38.6%	693,000	-0.6%	761,000	9.8%	5,739,000	22.0%	6,706,000	16.8%	7,589,000	13.2%	8,193,000	8.0%
Market Place	428,000	20.2%	451,000	5.4%	464,000	2.9%	485,000	4.5%	5,056,000	9.3%	5,569,000	10.1%	5,761,000	3.4%	5,998,000	4.1%
Mills Mall	490,000	1.2%	523,000	6.7%	484,000	-7.5%	478,000	-1.2%	6,355,000	16.1%	6,718,000	5.7%	6,495,000	-3.3%	6,441,000	-0.8%
Downtown Tempe	281,000	17.6%	315,000	12.1%	318,000	1.0%	372,000	17.0%	3,426,000	17.2%	3,916,000	14.3%	3,943,000	0.7%	4,641,000	17.7%
Apache Blvd.	186,000	12.7%	245,000	31.7%	212,000	-13.5%	203,000	-4.2%	2,352,000	14.7%	2,507,000	6.6%	2,506,000	0.0%	2,711,000	8.2%
ASU Properties	122,000	34.1%	135,000	10.7%	146,000	8.1%	154,000	5.5%	1,714,000	33.1%	2,118,000	23.6%	2,157,000	1.8%	2,352,000	9.0%
Rio Salado (1.8% and 3.0% Bed Tax)	236,000	14.6%	290,000	22.9%	299,000	3.1%	249,000	-16.7%	2,982,000	21.0%	3,143,000	5.4%	3,135,000	-0.3%	3,312,000	5.6%
All Other Areas	6,586,000	11.8%	6,894,000	4.7%	6,978,000	1.2%	7,309,000	4.7%	83,373,000	11.3%	85,720,000	2.8%	87,332,000	1.9%	92,147,000	5.5%

**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
<b>Jul</b>	8.5%	6,558,000	6,742,000	184,000	2.8%
<b>Aug</b>	8.0%	6,172,000	6,315,000	143,000	2.3%
<b>Sep</b>	8.1%	6,250,000	6,279,000	29,000	0.5%
<b>Oct</b>	8.5%	6,558,000	6,552,000	(6,000)	-0.1%
<b>Nov</b>	7.9%	6,095,000	6,152,000	57,000	0.9%
<b>Dec</b>	7.8%	6,018,000	5,978,000	(40,000)	-0.7%
<b>Jan</b>	9.7%	7,484,000	7,525,000	41,000	0.5%
<b>Feb</b>	7.9%	6,095,000	5,970,000	(125,000)	-2.1%
<b>Mar</b>	8.0%	6,172,000	5,834,000	(338,000)	-5.5%
<b>Apr</b>	9.1%	7,021,000	7,676,000	655,000	9.3%
<b>May</b>	8.4%	6,481,000	6,177,000	(304,000)	-4.7%
<b>Jun</b>	8.1%	6,252,000	6,193,000	(59,000)	-0.9%
<b>Totals</b>	100.0%	77,156,000	77,393,000	237,000	0.3%

**Cumulative Amounts**

	2013-14 Budget		2013-14 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
<b>Jul</b>	8.5%	6,558,000	6,742,000	184,000	2.8%
<b>Jul-Aug</b>	16.5%	12,730,000	13,057,000	327,000	2.6%
<b>Jul-Sep</b>	24.6%	18,980,000	19,336,000	356,000	1.9%
<b>Jul-Oct</b>	33.1%	25,538,000	25,888,000	350,000	1.4%
<b>Jul-Nov</b>	41.0%	31,633,000	32,040,000	407,000	1.3%
<b>Jul-Dec</b>	48.8%	37,651,000	38,018,000	367,000	1.0%
<b>Jul-Jan</b>	58.5%	45,135,000	45,543,000	408,000	1.0%
<b>Jul-Feb</b>	66.4%	51,230,000	51,513,000	283,000	0.6%
<b>Jul-Mar</b>	74.4%	57,402,000	57,347,000	(55,000)	-0.1%
<b>Jul-Apr</b>	83.5%	64,423,000	65,023,000	600,000	0.9%
<b>Jul-May</b>	91.9%	70,904,000	71,200,000	296,000	0.4%
<b>Jul-Jun</b>	100.0%	77,156,000	77,393,000	237,000	0.3%

**Tax and License Annual Privilege Tax Revenue Projections**

Method	Privilege Tax		Overage/Shortage	
	Projected	Budgeted	Amount	Percent
<b>Percent of Increase</b>	77,393,000	77,156,000	237,000	0.3%
<b>Percentage Received</b>	77,393,000	77,156,000	237,000	0.3%

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

**Monthly Amounts**

	2013-14 Budget		2013-14 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
<b>Jul</b>	8.5%	971,000	1,001,000	30,000	3.1%
<b>Aug</b>	8.0%	914,000	943,000	29,000	3.2%
<b>Sep</b>	8.1%	926,000	916,000	(10,000)	-1.1%
<b>Oct</b>	8.5%	971,000	962,000	(9,000)	-0.9%
<b>Nov</b>	7.9%	903,000	909,000	6,000	0.7%
<b>Dec</b>	7.8%	891,000	881,000	(10,000)	-1.1%
<b>Jan</b>	9.7%	1,108,000	1,093,000	(15,000)	-1.4%
<b>Feb</b>	7.9%	903,000	890,000	(13,000)	-1.4%
<b>Mar</b>	8.0%	914,000	861,000	(53,000)	-5.8%
<b>Apr</b>	9.1%	1,040,000	1,106,000	66,000	6.3%
<b>May</b>	8.4%	960,000	906,000	(54,000)	-5.6%
<b>Jun</b>	8.1%	925,000	912,000	(13,000)	-1.4%
<b>Totals</b>	100.0%	11,426,000	11,380,000	(46,000)	-0.4%

**Cumulative Amounts**

	2013-14 Budget		2013-14 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
<b>Jul</b>	8.5%	971,000	1,001,000	30,000	3.1%
<b>Jul-Aug</b>	16.5%	1,885,000	1,944,000	59,000	3.1%
<b>Jul-Sep</b>	24.6%	2,811,000	2,860,000	49,000	1.7%
<b>Jul-Oct</b>	33.1%	3,782,000	3,822,000	40,000	1.1%
<b>Jul-Nov</b>	41.0%	4,685,000	4,731,000	46,000	1.0%
<b>Jul-Dec</b>	48.8%	5,576,000	5,612,000	36,000	0.6%
<b>Jul-Jan</b>	58.5%	6,684,000	6,705,000	21,000	0.3%
<b>Jul-Feb</b>	66.4%	7,587,000	7,595,000	8,000	0.1%
<b>Jul-Mar</b>	74.3%	8,501,000	8,456,000	(45,000)	-0.5%
<b>Jul-Apr</b>	83.4%	9,541,000	9,562,000	21,000	0.2%
<b>Jul-May</b>	91.8%	10,501,000	10,468,000	(33,000)	-0.3%
<b>Jul-Jun</b>	100.0%	11,426,000	11,380,000	(46,000)	-0.4%

**Tax and License Annual Privilege Tax Revenue Projections**

Method	Privilege Tax		Overage/Shortage	
	Projected	Budgeted	Amount	Percent
<b>Percentage Increase</b>	11,380,000	11,426,000	(46,000)	-0.4%
<b>Percentage Received</b>	11,380,000	11,426,000	(46,000)	-0.4%