

# Memorandum

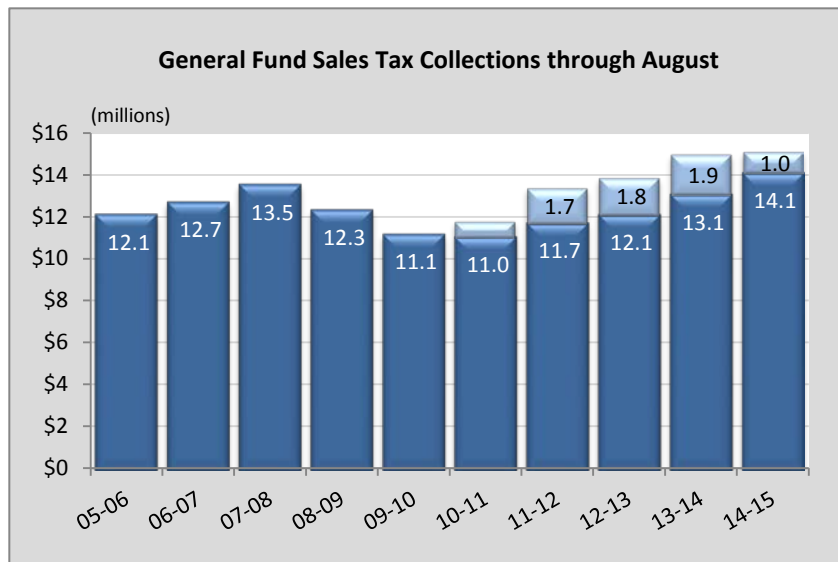


## City Manager's Office

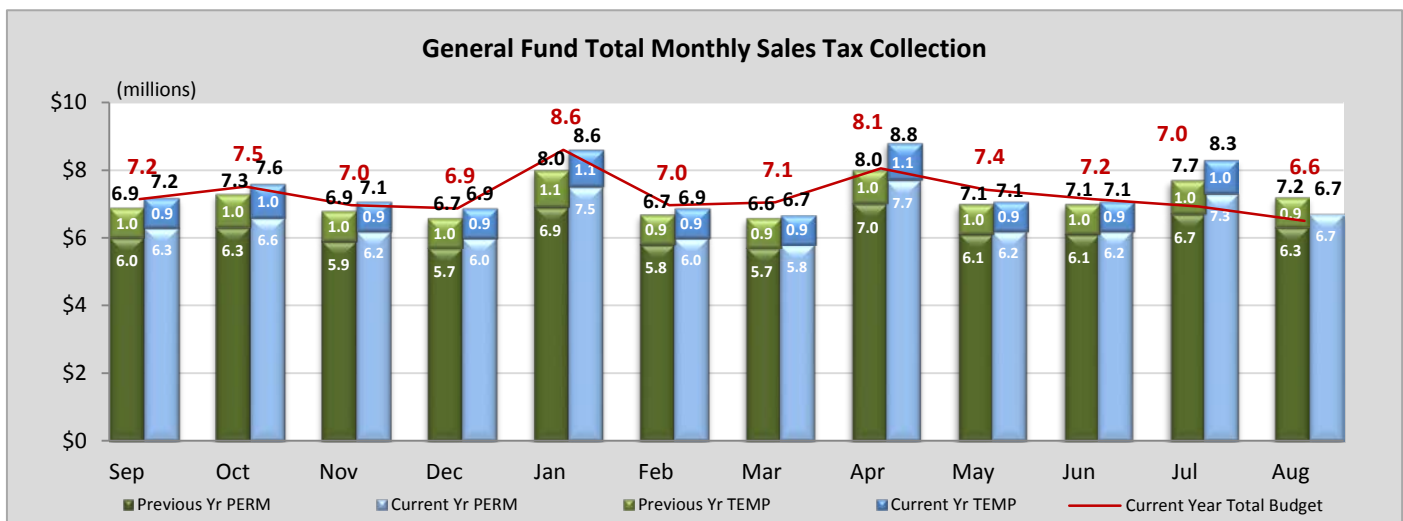
Date: September 12, 2014  
 To: Mayor and Council  
 From: Ken Jones, Deputy City Manager, CFO (350-8504)  
 Subject: Tax Revenue Statistical Report – **August 2014**

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

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 two months of FY 2014-15 is up 0.8% from the same period in the prior fiscal year. In terms of actual dollars received (\$15.1 million), we are \$119 thousand ahead of last fiscal year (\$15.0 million). Of the total amount collected through August, \$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 63.0% or \$831,000 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 \$1.6 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

### Current Month - August

### Fiscal Year to Date through August

	2011-12		2012-13		2013-14		2014-15		2011-12		2012-13		2013-14		2014-15	
	Change		Change		Change		Change		Change		Change		Change		Change	
<b>Taxable Sales</b>																
Total Taxable Sales	490,326,000	2.0%	505,624,000	3.1%	540,713,000	6.9%	586,267,000	8.4%	1,010,776,000	3.1%	1,051,620,000	4.0%	1,125,528,000	7.0%	1,216,853,000	8.1%
Retail Taxable Sales	243,766,000	2.9%	253,242,000	3.9%	285,338,000	12.7%	306,889,000	7.6%	494,133,000	2.3%	531,479,000	7.6%	581,749,000	9.5%	612,319,000	5.3%
<b>Tax Revenues by Funds</b>																
Privilege Tax - General Fund (1.2%)	5,675,000	-7.5%	5,808,000	2.3%	6,315,000	8.7%	6,748,000	6.9%	11,683,000	-1.2%	12,088,000	3.5%	13,056,000	8.0%	14,074,000	7.8%
Temporary Privilege Tax - General Fund	847,000	8.0%	868,000	2.5%	942,000	8.5%	31,000	-96.7%	1,721,000		1,801,000	4.6%	1,943,000	7.9%	1,044,000	-46.3%
Transit Tax Fund (.5%)	2,365,000	6.0%	2,422,000	2.4%	2,634,000	8.8%	2,814,000	6.8%	4,875,000	5.9%	5,041,000	3.4%	5,447,000	8.1%	5,869,000	7.7%
Arts Tax Fund (.1%)	486,000	5.7%	498,000	2.5%	541,000	8.6%	578,000	6.8%	1,002,000	5.6%	1,038,000	3.6%	1,120,000	7.9%	1,206,000	7.7%
Privilege Tax - Rebates Fund	239,000	-36.1%	268,000	12.1%	283,000	5.6%	262,000	-7.4%	541,000	-26.4%	594,000	9.8%	610,000	2.7%	605,000	-0.8%
Bed Tax Fund	214,000	6.5%	229,000	7.0%	218,000	-4.8%	289,000	32.6%	458,000	34.7%	469,000	2.4%	497,000	6.0%	614,000	23.5%
<b>Totals</b>	<b>9,826,000</b>	<b>4.5%</b>	<b>10,093,000</b>	<b>2.7%</b>	<b>10,933,000</b>	<b>8.3%</b>	<b>10,722,000</b>	<b>-1.9%</b>	<b>20,280,000</b>	<b>9.9%</b>	<b>21,031,000</b>	<b>3.7%</b>	<b>22,673,000</b>	<b>7.8%</b>	<b>23,412,000</b>	<b>3.3%</b>

#### Tax Revenues - Business Activities

Retail	5,019,000	4.1%	5,228,000	4.2%	5,843,000	11.8%	5,664,000	-3.1%	10,282,000	9.5%	10,901,000	6.0%	12,062,000	10.7%	11,995,000	-0.6%
Rentals	1,824,000	6.2%	1,895,000	3.9%	1,913,000	0.9%	1,678,000	-12.3%	3,879,000	9.8%	4,124,000	6.3%	4,149,000	0.6%	3,920,000	-5.5%
Utilities/Communication	1,146,000	0.4%	1,137,000	-0.8%	1,216,000	6.9%	1,141,000	-6.2%	2,067,000	2.2%	2,104,000	1.8%	2,180,000	3.6%	2,219,000	1.8%
Restaurants	742,000	5.8%	723,000	-2.6%	788,000	9.0%	790,000	0.3%	1,527,000	14.3%	1,531,000	0.3%	1,668,000	8.9%	1,696,000	1.7%
Contracting	506,000	11.0%	517,000	2.2%	602,000	16.4%	788,000	30.9%	1,295,000	18.9%	1,132,000	-12.6%	1,328,000	17.3%	2,165,000	63.0%
Hotel/Motel	119,000	10.2%	127,000	6.7%	114,000	-10.2%	140,000	22.8%	264,000	17.3%	266,000	0.8%	276,000	3.8%	304,000	10.1%
Transient (Bed Tax)	214,000	6.5%	229,000	7.0%	218,000	-4.8%	288,000	32.1%	458,000	34.3%	469,000	2.4%	498,000	6.2%	614,000	23.3%
Amusements	161,000	2.5%	139,000	-13.7%	147,000	5.8%	130,000	-11.6%	309,000	5.1%	292,000	-5.5%	324,000	11.0%	292,000	-9.9%
All Other	95,000	-5.9%	98,000	3.2%	92,000	-6.1%	103,000	12.0%	199,000	-10.4%	212,000	6.5%	188,000	-11.3%	207,000	10.1%
<b>Totals</b>	<b>9,826,000</b>	<b>4.5%</b>	<b>10,093,000</b>	<b>2.7%</b>	<b>10,933,000</b>	<b>8.3%</b>	<b>10,722,000</b>	<b>-1.9%</b>	<b>20,280,000</b>	<b>9.9%</b>	<b>21,031,000</b>	<b>3.7%</b>	<b>22,673,000</b>	<b>7.8%</b>	<b>23,412,000</b>	<b>3.3%</b>

#### Tax Revenues - Retail Activities Breakdown

Automotive	798,000	9.0%	862,000	8.0%	951,000	10.3%	964,000	1.4%	1,547,000	16.8%	1,734,000	12.1%	1,902,000	9.7%	2,014,000	5.9%
Furniture/Equipment/Electronics	1,062,000	0.0%	1,118,000	5.3%	1,700,000	52.1%	1,582,000	-6.9%	2,202,000	5.8%	2,418,000	9.8%	3,422,000	41.5%	3,098,000	-9.5%
Department Stores	909,000	8.6%	938,000	3.2%	945,000	0.7%	876,000	-7.3%	1,848,000	13.8%	1,910,000	3.4%	1,902,000	-0.4%	1,838,000	-3.4%
Grocery Stores	527,000	6.9%	523,000	-0.8%	578,000	10.5%	615,000	6.4%	1,110,000	8.3%	1,108,000	-0.2%	1,188,000	7.2%	1,269,000	6.8%
Drugs/Small Stores	513,000	-3.8%	544,000	6.0%	545,000	0.2%	503,000	-7.7%	1,091,000	5.2%	1,090,000	-0.1%	1,118,000	2.6%	1,128,000	0.9%
Manufacturing Firms	373,000	35.1%	397,000	6.4%	237,000	-40.3%	325,000	37.1%	696,000	29.4%	712,000	2.3%	529,000	-25.7%	645,000	21.9%
Building Supply Stores	179,000	7.2%	184,000	2.8%	196,000	6.5%	156,000	-20.4%	365,000	2.5%	373,000	2.2%	385,000	3.2%	351,000	-8.8%
All Other Retail	658,000	-8.4%	662,000	0.6%	691,000	4.4%	643,000	-6.9%	1,423,000	1.1%	1,556,000	9.3%	1,616,000	3.9%	1,652,000	2.2%
<b>Totals</b>	<b>5,019,000</b>	<b>4.2%</b>	<b>5,228,000</b>	<b>4.2%</b>	<b>5,843,000</b>	<b>11.8%</b>	<b>5,664,000</b>	<b>-3.1%</b>	<b>10,282,000</b>	<b>9.5%</b>	<b>10,901,000</b>	<b>6.0%</b>	<b>12,062,000</b>	<b>10.7%</b>	<b>11,995,000</b>	<b>-0.6%</b>

#### Tax Revenues - Business Districts

Elliot Corridor	1,237,000	2.2%	1,375,000	11.2%	1,690,000	22.9%	1,556,000	-7.9%	2,434,000	6.0%	2,895,000	18.9%	3,376,000	16.6%	3,329,000	-1.4%
Autoplex (included in Elliot Corridor)	525,000	6.1%	606,000	15.4%	661,000	9.1%	661,000	0.0%	998,000	15.1%	1,188,000	19.0%	1,311,000	10.4%	1,359,000	3.7%
Market Place	360,000	-4.3%	395,000	9.7%	418,000	5.8%	392,000	-6.2%	788,000	3.8%	878,000	11.4%	894,000	1.8%	899,000	0.6%
Mills Mall	599,000	11.1%	572,000	-4.5%	558,000	-2.4%	493,000	-11.6%	1,124,000	12.2%	1,114,000	-0.9%	1,087,000	-2.4%	1,000,000	-8.0%
Downtown Tempe	234,000	14.1%	229,000	-2.1%	311,000	35.8%	267,000	-14.1%	478,000	27.8%	494,000	3.3%	608,000	23.1%	611,000	0.5%
Apache Blvd.	175,000	-1.1%	173,000	-1.1%	196,000	13.3%	169,000	-13.8%	354,000	7.3%	367,000	3.7%	400,000	9.0%	416,000	4.0%
ASU Properties	101,000	44.3%	136,000	34.7%	142,000	4.4%	109,000	-23.2%	209,000	57.1%	267,000	27.8%	281,000	5.2%	275,000	-2.1%
Rio Salado (1.8% and 3.0% Bed Tax)	234,000	14.7%	244,000	4.3%	233,000	-4.5%	214,000	-8.2%	464,000	10.5%	455,000	-1.9%	521,000	14.5%	499,000	-4.2%
All Other Areas	6,886,000	4.0%	6,969,000	1.2%	7,385,000	6.0%	7,522,000	1.9%	14,429,000	9.8%	14,561,000	0.9%	15,506,000	6.5%	16,383,000	5.7%

**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
<b>Jul</b>	8.5%	6,960,000	7,326,000	366,000	5.3%
<b>Aug</b>	8.0%	6,551,000	6,748,000	197,000	3.0%
<b>Sep</b>	8.2%	6,715,000			
<b>Oct</b>	8.5%	6,960,000			
<b>Nov</b>	8.0%	6,551,000			
<b>Dec</b>	7.8%	6,387,000			
<b>Jan</b>	9.5%	7,779,000			
<b>Feb</b>	7.9%	6,469,000			
<b>Mar</b>	7.9%	6,469,000			
<b>Apr</b>	9.3%	7,615,000			
<b>May</b>	8.3%	6,798,000			
<b>Jun</b>	8.1%	6,633,000			
<b>Totals</b>	100.0%	81,887,000	14,074,000	563,000	

**Cumulative Amounts**

	2014-15 Budget		2014-15 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
<b>Jul</b>	8.5%	6,960,000	7,326,000	366,000	5.3%
<b>Jul-Aug</b>	16.5%	13,511,000	14,074,000	563,000	4.2%
<b>Jul-Sep</b>	24.7%	20,226,000			
<b>Jul-Oct</b>	33.2%	27,186,000			
<b>Jul-Nov</b>	41.2%	33,737,000			
<b>Jul-Dec</b>	49.0%	40,124,000			
<b>Jul-Jan</b>	58.5%	47,903,000			
<b>Jul-Feb</b>	66.4%	54,372,000			
<b>Jul-Mar</b>	74.3%	60,841,000			
<b>Jul-Apr</b>	83.6%	68,456,000			
<b>Jul-May</b>	91.9%	75,254,000			
<b>Jul-Jun</b>	100.0%	81,887,000			

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

Method	Privilege Tax		Overage/Shortage	
	Projected	Budgeted	Amount	Percent
<b>Percent of Increase</b>	83,425,000	81,887,000	1,538,000	1.9%
<b>Percentage Received</b>	85,297,000	81,887,000	3,410,000	4.2%

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

**Monthly Amounts**

	<b>2011-12</b>	<b>%</b>	<b>2012-13</b>	<b>%</b>	<b>2013-14</b>	<b>%</b>	<b>2014-15</b>	<b>%</b>
<b>Jul</b>	873,000		933,000	6.9%	1,001,000	7.3%	1,013,000	1.2%
<b>Aug</b>	848,000	8.2%	868,000	2.4%	942,000	8.5%	31,000	-96.7%
<b>Sep</b>	854,000	3.8%	892,000	4.4%	916,000	2.7%		
<b>Oct</b>	876,000	7.2%	928,000	5.9%	962,000	3.7%		
<b>Nov</b>	870,000	8.6%	865,000	-0.6%	909,000	5.1%		
<b>Dec</b>	838,000	4.9%	853,000	1.8%	881,000	3.3%		
<b>Jan</b>	961,000	-4.2%	1,025,000	6.7%	1,093,000	6.6%		
<b>Feb</b>	844,000	-0.7%	861,000	2.0%	890,000	3.4%		
<b>Mar</b>	910,000	14.3%	865,000	-4.9%	861,000	-0.5%		
<b>Apr</b>	897,000	-4.0%	1,027,000	14.5%	1,106,000	7.7%		
<b>May</b>	922,000	7.1%	897,000	-2.7%	906,000	1.0%		
<b>Jun</b>	868,000	5.0%	904,000	4.1%	912,000	0.9%		
<b>Totals</b>	<b>10,561,000</b>	<b>13.3%</b>	<b>10,918,000</b>	<b>3.4%</b>	<b>11,379,000</b>	<b>4.2%</b>	<b>1,044,000</b>	

**Cumulative Amounts**

	<b>2011-12</b>	<b>%</b>	<b>2012-13</b>	<b>%</b>	<b>2013-14</b>	<b>%</b>	<b>2014-15</b>	<b>%</b>
<b>Jul</b>	873,000		933,000	6.9%	1,001,000	7.3%	1,013,000	1.2%
<b>Jul-Aug</b>	1,721,000	119.5%	1,801,000	4.6%	1,943,000	7.9%	1,044,000	-46.3%
<b>Jul-Sep</b>	2,575,000	60.2%	2,693,000	4.6%	2,859,000	6.2%		
<b>Jul-Oct</b>	3,451,000	40.6%	3,621,000	4.9%	3,821,000	5.5%		
<b>Jul-Nov</b>	4,321,000	32.7%	4,486,000	3.8%	4,730,000	5.4%		
<b>Jul-Dec</b>	5,159,000	27.3%	5,339,000	3.5%	5,611,000	5.1%		
<b>Jul-Jan</b>	6,120,000	21.0%	6,364,000	4.0%	6,704,000	5.3%		
<b>Jul-Feb</b>	6,964,000	17.9%	7,225,000	3.7%	7,594,000	5.1%		
<b>Jul-Mar</b>	7,874,000	17.5%	8,090,000	2.7%	8,455,000	4.5%		
<b>Jul-Apr</b>	8,771,000	14.8%	9,117,000	3.9%	9,561,000	4.9%		
<b>Jul-May</b>	9,693,000	14.1%	10,014,000	3.3%	10,467,000	4.5%		
<b>Jul-Jun</b>	10,561,000	13.3%	10,918,000	3.4%	11,379,000	4.2%		