

Memorandum

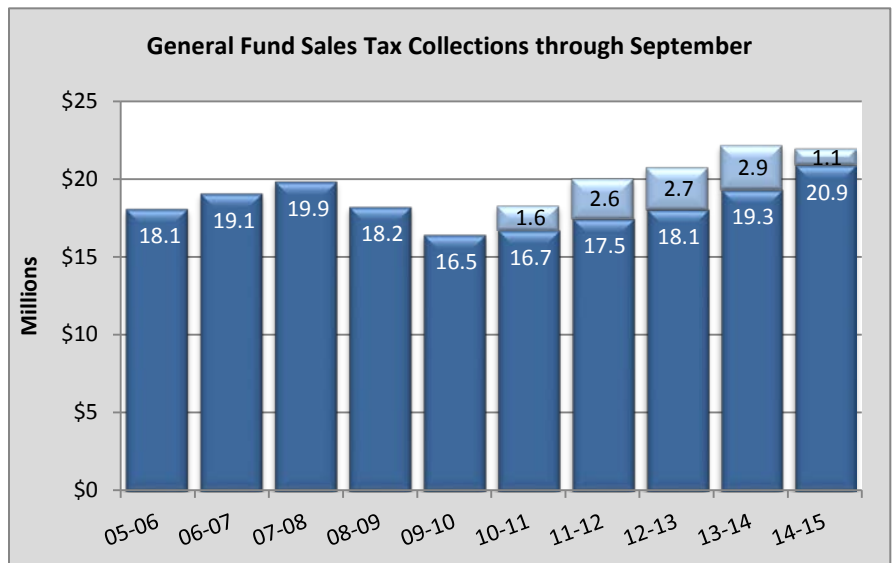


City Manager's Office

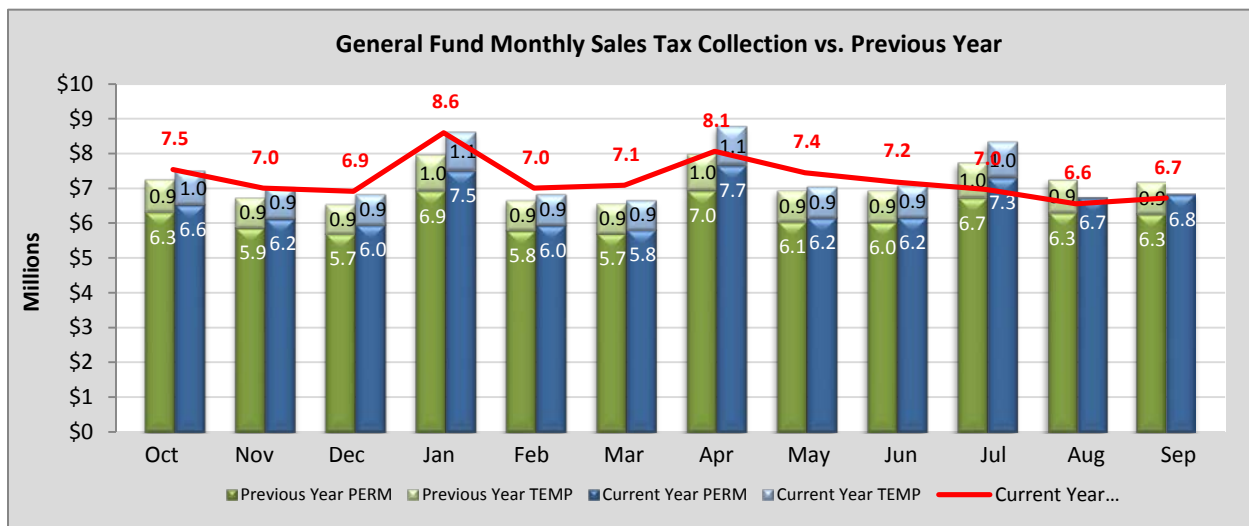
Date: October 17, 2014
 To: Mayor and Council
 From: Ken Jones, Deputy City Manager, CFO (350-8504)
 Subject: Tax Revenue Statistical Report – September 2014

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

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 quarter of FY 2014-15 is down 1% from the same period in the prior fiscal year. In terms of actual dollars received (\$22.0 million), we are \$215 thousand below last fiscal year (\$22.2 million). Of the total amount collected through September, \$1.0 million was from the temporary sales tax, generated during June, the final month of the tax. The “drag” on total revenue collected is largely related to the expiration of the temporary tax.



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 \$1.1 million temporary sales tax will be accrued back to June for financial reporting.



Executive Summary

	Current Month -September								Fiscal Year to Date through September							
	2011-12	Change	2012-13	Change	2013-14	Change	2014-15	Change	2011-12	Change	2012-13	Change	2013-14	Change	2014-15	Change
Taxable Sales																
Total Taxable Sales	513,344,000	-1.3%	523,756,000	2.0%	548,316,000	4.7%	589,372,000	7.5%	1,524,120,000	1.6%	1,575,376,000	3.4%	1,673,844,000	6.3%	1,806,225,000	7.9%
Retail Taxable Sales	261,171,000	-5.0%	275,565,000	5.5%	282,623,000	2.6%	308,010,000	9.0%	755,304,000	-0.3%	807,044,000	6.9%	864,372,000	7.1%	920,329,000	6.5%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	5,804,000	-11.0%	6,002,000	3.4%	6,279,000	4.6%	6,847,000	9.0%	17,487,000	-4.7%	18,090,000	3.4%	19,335,000	6.9%	20,921,000	8.2%
Temporary Privilege Tax - General Fund	853,000		893,000	4.7%	916,000	2.6%	14,000	-98.5%	2,574,000		2,694,000	4.7%	2,859,000	6.1%	1,058,000	-63.0%
Transit Tax Fund (.5%)	2,420,000	1.7%	2,504,000	3.5%	2,619,000	4.6%	2,855,000	9.0%	7,295,000	4.5%	7,545,000	3.4%	8,066,000	6.9%	8,724,000	8.2%
Arts Tax Fund (.1%)	503,000	2.4%	517,000	2.8%	542,000	4.8%	589,000	8.7%	1,505,000	4.5%	1,555,000	3.3%	1,662,000	6.9%	1,795,000	8.0%
Privilege Tax - Rebates Fund	361,000	-15.5%	313,000	-13.3%	340,000	8.6%	315,000	-7.4%	902,000	-22.4%	907,000	0.6%	950,000	4.7%	920,000	-3.2%
Bed Tax Fund	241,000	9.5%	230,000	-4.6%	331,000	43.9%	308,000	-6.9%	699,000	24.8%	699,000	0.0%	828,000	18.5%	922,000	11.4%
Totals	10,182,000	1.4%	10,459,000	2.7%	11,027,000	5.4%	10,928,000	-0.9%	30,462,000	6.9%	31,490,000	3.4%	33,700,000	7.0%	34,340,000	1.9%
Tax Revenues - Business Activities																
Retail	5,341,000	4.4%	5,635,000	5.5%	5,801,000	2.9%	5,738,000	-1.1%	15,623,000	7.7%	16,536,000	5.8%	17,863,000	8.0%	17,733,000	-0.7%
Rentals	1,765,000	-6.3%	1,756,000	-0.5%	1,800,000	2.5%	1,850,000	2.8%	5,644,000	4.2%	5,880,000	4.2%	5,949,000	1.2%	5,770,000	-3.0%
Utilities/Communication	1,124,000	-2.3%	1,131,000	0.6%	1,158,000	2.4%	1,098,000	-5.2%	3,191,000	0.6%	3,235,000	1.4%	3,338,000	3.2%	3,317,000	-0.6%
Restaurants	757,000	4.7%	776,000	2.5%	866,000	11.6%	796,000	-8.1%	2,284,000	10.9%	2,307,000	1.0%	2,534,000	9.8%	2,492,000	-1.7%
Contracting	574,000	2.0%	544,000	-5.2%	642,000	18.0%	692,000	7.8%	1,869,000	13.1%	1,676,000	-10.3%	1,970,000	17.5%	2,857,000	45.0%
Hotel/Motel	139,000	17.8%	125,000	-10.1%	160,000	28.0%	141,000	-11.9%	403,000	17.5%	391,000	-3.0%	436,000	11.5%	445,000	2.1%
Transient (Bed Tax)	240,000	9.1%	230,000	-4.2%	331,000	43.9%	309,000	-6.6%	698,000	24.4%	699,000	0.1%	829,000	18.6%	923,000	11.3%
Amusements	145,000	-13.7%	112,000	-22.8%	123,000	9.8%	115,000	-6.5%	454,000	-1.7%	404,000	-11.0%	447,000	10.6%	407,000	-8.9%
All Other	97,000	-4.0%	150,000	54.6%	146,000	-2.7%	189,000	29.5%	296,000	-8.4%	362,000	22.3%	334,000	-7.7%	396,000	18.6%
Totals	10,182,000	1.4%	10,459,000	2.7%	11,027,000	5.4%	10,928,000	-0.9%	30,462,000	6.9%	31,490,000	3.4%	33,700,000	7.0%	34,340,000	1.9%
Tax Revenues - Retail Activities Breakdown																
Automotive	787,000	9.2%	901,000	14.5%	967,000	7.3%	1,090,000	12.7%	2,334,000	14.1%	2,635,000	12.9%	2,869,000	8.9%	3,104,000	8.2%
Furniture/Equipment/Electronics	1,091,000	-10.4%	1,270,000	16.4%	1,224,000	-3.6%	1,153,000	-5.8%	3,293,000	-0.2%	3,688,000	12.0%	4,646,000	26.0%	4,251,000	-8.5%
Department Stores	1,091,000	-32.8%	1,176,000	7.8%	1,091,000	-7.2%	1,042,000	-4.5%	2,939,000	10.9%	3,086,000	5.0%	2,993,000	-3.0%	2,880,000	-3.8%
Grocery Stores	591,000	9.6%	586,000	-0.8%	637,000	8.7%	672,000	5.5%	1,701,000	8.8%	1,694,000	-0.4%	1,825,000	7.7%	1,941,000	6.4%
Drugs/Small Stores	604,000	15.5%	608,000	0.7%	689,000	13.3%	623,000	-9.6%	1,695,000	8.7%	1,698,000	0.2%	1,807,000	6.4%	1,751,000	-3.1%
Manufacturing Firms	317,000	37.2%	281,000	-11.4%	267,000	-5.0%	224,000	-16.1%	1,013,000	31.7%	993,000	-2.0%	796,000	-19.8%	869,000	9.2%
Building Supply Stores	170,000	-5.6%	152,000	-10.6%	182,000	19.7%	187,000	2.7%	535,000	-0.2%	525,000	-1.9%	567,000	8.0%	538,000	-5.1%
All Other Retail	690,000	1.8%	661,000	-4.2%	744,000	12.6%	747,000	0.4%	2,113,000	1.3%	2,217,000	4.9%	2,360,000	6.5%	2,399,000	1.7%
Totals	5,341,000	4.4%	5,635,000	5.5%	5,801,000	2.9%	5,738,000	-1.1%	15,623,000	7.7%	16,536,000	5.8%	17,863,000	8.0%	17,733,000	-0.7%
Tax Revenues - Business Districts																
Elliot Corridor	1,393,000	-4.8%	1,706,000	22.5%	1,702,000	-0.2%	1,754,000	3.1%	3,827,000	1.8%	4,601,000	20.2%	5,078,000	10.4%	5,083,000	0.1%
Autoplex (included in Elliot Corridor)	517,000	6.8%	633,000	22.4%	670,000	5.8%	785,000	17.2%	1,515,000	12.1%	1,821,000	20.2%	1,981,000	8.8%	2,144,000	8.2%
Market Place	453,000	3.4%	461,000	1.8%	495,000	7.4%	457,000	-7.7%	1,241,000	3.7%	1,339,000	7.9%	1,389,000	3.7%	1,356,000	-2.4%
Mills Mall	495,000	6.9%	504,000	1.8%	475,000	-5.8%	430,000	-9.5%	1,619,000	10.5%	1,618,000	-0.1%	1,562,000	-3.5%	1,430,000	-8.5%
Downtown Tempe	248,000	-1.2%	254,000	2.4%	264,000	3.9%	313,000	18.6%	726,000	16.2%	748,000	3.0%	872,000	16.6%	924,000	6.0%
Apache Blvd.	185,000	0.0%	167,000	-9.7%	212,000	26.9%	213,000	0.5%	539,000	4.7%	534,000	-0.9%	612,000	14.6%	629,000	2.8%
ASU Properties	198,000	-5.3%	220,000	11.1%	302,000	37.3%	294,000	-2.6%	407,000	19.0%	487,000	19.7%	583,000	19.7%	569,000	-2.4%
Rio Salado (1.8% and 3.0% Bed Tax)	253,000	21.6%	174,000	-31.2%	214,000	23.0%	244,000	14.0%	717,000	14.2%	629,000	-12.3%	735,000	16.9%	743,000	1.1%
All Other Areas	6,957,000	2.0%	6,973,000	0.2%	7,363,000	5.6%	7,223,000	-1.9%	21,386,000	7.1%	21,534,000	0.7%	22,869,000	6.2%	23,606,000	3.2%

**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	6,748,000	197,000	3.0%
Sep	8.2%	6,715,000	6,847,000	132,000	2.0%
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	20,921,000	695,000	

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	14,074,000	563,000	4.2%
Jul-Sep	24.7%	20,226,000	20,921,000	695,000	3.4%
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	83,739,000	81,887,000	1,852,000	2.3%
Percentage Received	84,700,000	81,887,000	2,813,000	3.4%

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

Monthly Amounts

	2011-12	%	2012-13	%	2013-14	%	2014-15	%
Jul	873,000		934,000	7.0%	1,001,000	7.2%	1,013,000	1.2%
Aug	847,000	8.0%	868,000	2.5%	942,000	8.5%	31,000	-96.7%
Sep	854,000	3.8%	892,000	4.4%	916,000	2.7%	14,000	-98.5%
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	10,560,000	13.2%	10,919,000	3.4%	11,379,000	4.2%	1,058,000	

Cumulative Amounts

	2011-12	%	2012-13	%	2013-14	%	2014-15	%
Jul	873,000		934,000	7.0%	1,001,000	7.2%	1,013,000	1.2%
Jul-Aug	1,720,000	119.4%	1,802,000	4.8%	1,943,000	7.8%	1,044,000	-46.3%
Jul-Sep	2,574,000	60.2%	2,694,000	4.7%	2,859,000	6.1%	1,058,000	-63.0%
Jul-Oct	3,450,000	40.6%	3,622,000	5.0%	3,821,000	5.5%		
Jul-Nov	4,320,000	32.7%	4,487,000	3.9%	4,730,000	5.4%		
Jul-Dec	5,158,000	27.2%	5,340,000	3.5%	5,611,000	5.1%		
Jul-Jan	6,119,000	21.0%	6,365,000	4.0%	6,704,000	5.3%		
Jul-Feb	6,963,000	17.9%	7,226,000	3.8%	7,594,000	5.1%		
Jul-Mar	7,873,000	17.5%	8,091,000	2.8%	8,455,000	4.5%		
Jul-Apr	8,770,000	14.8%	9,118,000	4.0%	9,561,000	4.9%		
Jul-May	9,692,000	14.1%	10,015,000	3.3%	10,467,000	4.5%		
Jul-Jun	10,560,000	13.2%	10,919,000	3.4%	11,379,000	4.2%		