

Memorandum

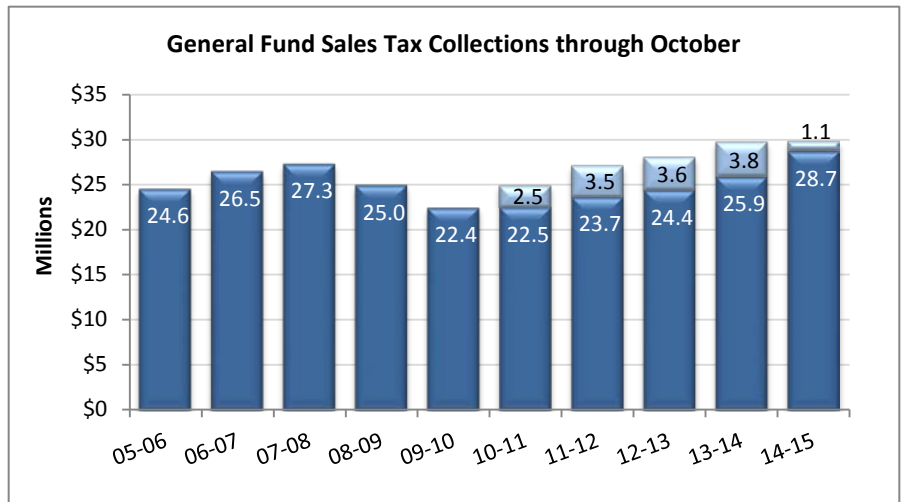


City Manager's Office

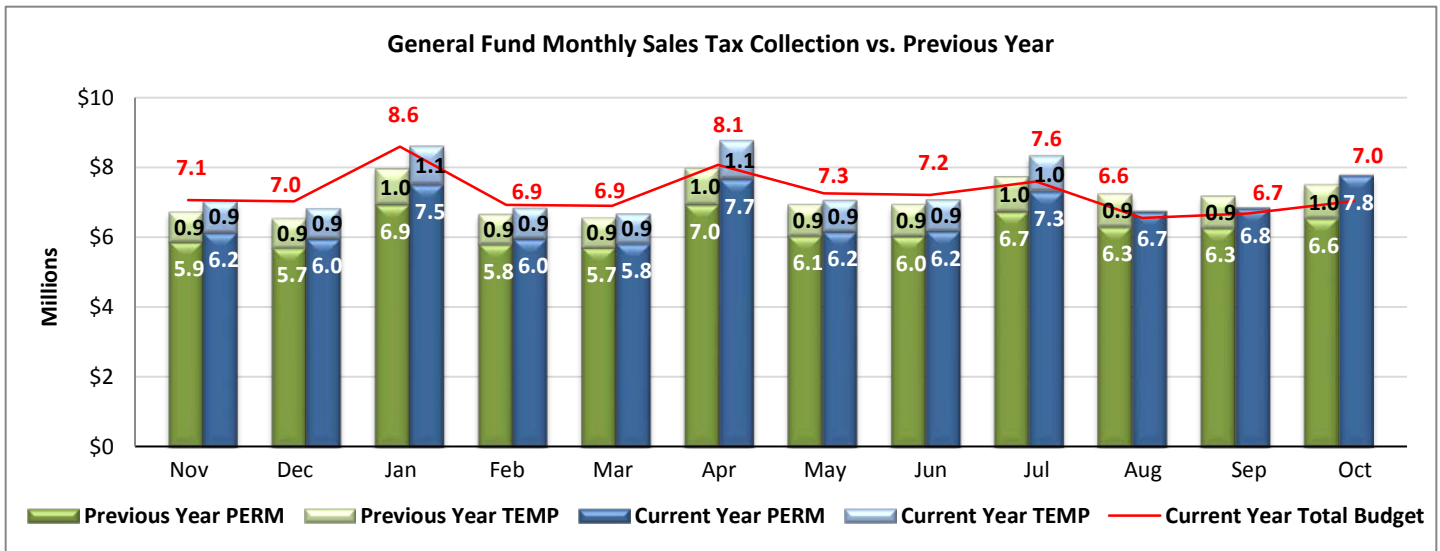
Date: December 4, 2014
 To: Mayor and Council
 From: Ken Jones, Deputy City Manager, CFO (350-8504)
 Subject: Tax Revenue Statistical Report – October 2014

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

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 through October for FY 2014-15 is up 0.2% from the same period in the prior fiscal year. In terms of actual dollars received (\$29.8 million), we are \$0.1 million above last fiscal year (\$29.7 million). While the growth over the prior year appears to be flat, this is actually a strong performance considering that the temporary sales tax expired in June.



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 \$1.9 million above budget due to an exceptional amount of construction activity at Marina Heights.



Executive Summary

	Current Month -October								Fiscal Year to Date through October							
	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	530,789,000	4.4%	561,030,000	5.7%	574,354,000	2.4%	676,788,000	17.8%	2,054,909,000	2.3%	2,136,406,000	4.0%	2,248,198,000	5.2%	2,483,013,000	10.4%
Retail Taxable Sales	246,113,000	0.4%	281,636,000	14.4%	279,765,000	-0.7%	309,085,000	10.5%	1,001,417,000	-0.2%	1,088,680,000	8.7%	1,144,137,000	5.1%	1,229,414,000	7.5%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	6,175,000	-6.6%	6,332,000	2.5%	6,552,000	3.5%	7,785,000	18.8%	23,662,000	-5.2%	24,422,000	3.2%	25,887,000	6.0%	28,706,000	10.9%
Temporary Privilege Tax - General Fund	876,000		927,000	5.8%	962,000	3.8%	1,000	-99.9%	3,450,000		3,621,000	5.0%	3,821,000	5.5%	1,059,000	-72.3%
Transit Tax Fund (.5%)	2,573,000	7.2%	2,641,000	2.6%	2,732,000	3.4%	3,245,000	18.8%	9,868,000	5.2%	10,186,000	3.2%	10,798,000	6.0%	11,969,000	10.8%
Arts Tax Fund (.1%)	530,000	7.1%	544,000	2.6%	564,000	3.7%	667,000	18.3%	2,035,000	5.2%	2,099,000	3.1%	2,226,000	6.1%	2,462,000	10.6%
Privilege Tax - Rebates Fund	293,000	-20.6%	305,000	4.1%	336,000	10.2%	297,000	-11.6%	1,195,000	-21.9%	1,212,000	1.4%	1,286,000	6.1%	1,217,000	-5.4%
Bed Tax Fund	224,000	-19.4%	289,000	29.0%	339,000	17.3%	362,000	6.8%	923,000	10.1%	988,000	7.0%	1,167,000	18.1%	1,284,000	10.0%
Totals	10,671,000	5.1%	11,038,000	3.4%	11,485,000	4.0%	12,357,000	7.6%	41,133,000	6.4%	42,528,000	3.4%	45,185,000	6.2%	46,697,000	3.3%
Tax Revenues - Business Activities																
Retail	5,069,000	3.0%	5,588,000	10.2%	5,701,000	2.0%	5,743,000	0.7%	20,692,000	6.5%	22,124,000	6.9%	23,564,000	6.5%	23,476,000	-0.4%
Rentals	2,171,000	7.4%	2,100,000	-3.3%	2,212,000	5.3%	2,177,000	-1.6%	7,815,000	5.1%	7,980,000	2.1%	8,161,000	2.3%	7,947,000	-2.6%
Utilities/Communication	1,080,000	2.0%	1,059,000	-1.9%	1,112,000	5.0%	1,065,000	-4.2%	4,271,000	0.9%	4,294,000	0.5%	4,450,000	3.6%	4,382,000	-1.5%
Restaurants	767,000	-1.3%	849,000	10.7%	930,000	9.5%	912,000	-1.9%	3,051,000	7.6%	3,156,000	3.4%	3,464,000	9.8%	3,404,000	-1.7%
Contracting	962,000	59.3%	710,000	-26.2%	745,000	4.9%	1,660,000	122.8%	2,831,000	25.5%	2,386,000	-15.7%	2,715,000	13.8%	4,517,000	66.4%
Hotel/Motel	134,000	-10.7%	157,000	17.2%	177,000	12.7%	168,000	-5.1%	537,000	8.9%	548,000	2.0%	613,000	11.9%	613,000	0.0%
Transient (Bed Tax)	224,000	-19.4%	289,000	29.0%	339,000	17.3%	362,000	6.8%	922,000	9.9%	988,000	7.2%	1,168,000	18.2%	1,285,000	10.0%
Amusements	155,000	-6.6%	126,000	-18.7%	132,000	4.8%	128,000	-3.0%	609,000	-3.0%	530,000	-13.0%	579,000	9.2%	535,000	-7.6%
All Other	109,000	-36.6%	160,000	46.8%	137,000	-14.4%	142,000	3.6%	405,000	-18.2%	522,000	28.9%	471,000	-9.8%	538,000	14.2%
Totals	10,671,000	5.1%	11,038,000	3.4%	11,485,000	4.0%	12,357,000	7.6%	41,133,000	6.4%	42,528,000	3.4%	45,185,000	6.2%	46,697,000	3.3%
Tax Revenues - Retail Activities Breakdown																
Automotive	710,000	6.0%	930,000	31.0%	954,000	2.6%	944,000	-1.0%	3,044,000	12.1%	3,565,000	17.1%	3,823,000	7.2%	4,048,000	5.9%
Furniture/Equipment/Electronics	1,082,000	7.2%	1,199,000	10.8%	1,257,000	4.8%	1,247,000	-0.8%	4,375,000	1.6%	4,887,000	11.7%	5,903,000	20.8%	5,498,000	-6.9%
Department Stores	879,000	-6.8%	916,000	4.2%	903,000	-1.4%	842,000	-6.8%	3,818,000	9.8%	4,002,000	4.8%	3,896,000	-2.6%	3,722,000	-4.5%
Grocery Stores	582,000	1.2%	640,000	10.0%	642,000	0.3%	655,000	2.0%	2,283,000	6.7%	2,334,000	2.2%	2,467,000	5.7%	2,596,000	5.2%
Drugs/Small Stores	537,000	-4.8%	599,000	11.5%	608,000	1.5%	576,000	-5.3%	2,232,000	5.1%	2,297,000	2.9%	2,415,000	5.1%	2,327,000	-3.6%
Manufacturing Firms	335,000	10.2%	354,000	5.7%	299,000	-15.5%	269,000	-10.0%	1,348,000	25.6%	1,347,000	-0.1%	1,095,000	-18.7%	1,138,000	3.9%
Building Supply Stores	174,000	4.2%	183,000	5.2%	200,000	9.3%	187,000	-6.5%	709,000	0.9%	708,000	-0.1%	767,000	8.3%	725,000	-5.5%
All Other Retail	770,000	-4.7%	767,000	-0.4%	838,000	9.3%	1,023,000	22.1%	2,883,000	-0.3%	2,984,000	3.5%	3,198,000	7.2%	3,422,000	7.0%
Totals	5,069,000	3.0%	5,588,000	10.2%	5,701,000	2.0%	5,743,000	0.7%	20,692,000	6.5%	22,124,000	6.9%	23,564,000	6.5%	23,476,000	-0.4%
Tax Revenues - Business Districts																
Elliot Corridor	1,195,000	1.2%	1,524,000	27.5%	1,495,000	-1.9%	1,548,000	3.5%	5,022,000	1.6%	6,125,000	22.0%	6,573,000	7.3%	6,631,000	0.9%
Autoplex (included in Elliot Corridor)	440,000	3.5%	660,000	50.0%	666,000	0.9%	631,000	-5.3%	1,955,000	10.1%	2,481,000	26.9%	2,647,000	6.7%	2,775,000	4.8%
Market Place	427,000	9.2%	429,000	0.5%	486,000	13.3%	432,000	-11.1%	1,668,000	5.0%	1,768,000	6.0%	1,875,000	6.1%	1,788,000	-4.6%
Mills Mall	446,000	2.8%	459,000	2.9%	467,000	1.7%	419,000	-10.3%	2,065,000	8.7%	2,077,000	0.6%	2,029,000	-2.3%	1,849,000	-8.9%
Downtown Tempe	213,000	-18.1%	281,000	31.9%	359,000	27.8%	372,000	3.6%	939,000	6.1%	1,029,000	9.6%	1,231,000	19.6%	1,296,000	5.3%
Apache Blvd.	178,000	-7.3%	181,000	1.7%	232,000	28.2%	232,000	0.0%	717,000	1.4%	715,000	-0.3%	844,000	18.0%	861,000	2.0%
ASU Properties	187,000	6.9%	187,000	0.0%	225,000	20.3%	226,000	0.4%	594,000	14.9%	674,000	13.5%	808,000	19.9%	795,000	-1.6%
Rio Salado (1.8% and 3.0% Bed Tax)	285,000	-11.8%	256,000	-10.2%	246,000	-3.9%	326,000	32.5%	1,002,000	5.4%	885,000	-11.7%	981,000	10.8%	1,069,000	9.0%
All Other Areas	7,740,000	7.6%	7,721,000	-0.2%	7,975,000	3.3%	8,802,000	10.4%	29,126,000	7.3%	29,255,000	0.4%	30,844,000	5.4%	32,408,000	5.1%

**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	8.1%	6,621,000	7,327,000	706,000	10.7%
Aug	8.0%	6,554,000	6,749,000	195,000	3.0%
Sep	8.2%	6,678,000	6,847,000	169,000	2.5%
Oct	8.6%	7,035,000	7,782,000	747,000	10.6%
Nov	8.0%	6,534,000			
Dec	8.0%	6,495,000			
Jan	9.8%	7,946,000			
Feb	7.9%	6,402,000			
Mar	7.8%	6,382,000			
Apr	9.2%	7,461,000			
May	8.2%	6,705,000			
Jun	8.2%	6,669,000			
Totals	100.0%	81,482,000	28,705,000	1,817,000	

Cumulative Amounts

	2014-15 Budget		2014-15 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
Jul	8.1%	6,621,000	7,327,000	706,000	10.7%
Jul-Aug	16.1%	13,175,000	14,076,000	901,000	6.8%
Jul-Sep	24.3%	19,853,000	20,923,000	1,070,000	5.4%
Jul-Oct	32.9%	26,888,000	28,705,000	1,817,000	6.8%
Jul-Nov	40.9%	33,422,000			
Jul-Dec	48.9%	39,917,000			
Jul-Jan	58.7%	47,863,000			
Jul-Feb	66.6%	54,265,000			
Jul-Mar	74.4%	60,647,000			
Jul-Apr	83.6%	68,108,000			
Jul-May	91.8%	74,813,000			
Jul-Jun	100.0%	81,482,000			

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Overage/Shortage	
	Projected	Budgeted	Amount	Percent
Percent of Increase	85,816,000	81,482,000	4,334,000	5.3%
Percentage Received	87,249,000	81,482,000	5,767,000	7.1%

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

Monthly Amounts

	2011-12	%	2012-13	%	2013-14	%	2014-15	%
Jul	873,000		933,000	6.9%	1,001,000	7.3%	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%	1,000	-99.9%
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%	10,918,000	3.4%	11,379,000	4.2%	1,059,000	

Cumulative Amounts

	2011-12	%	2012-13	%	2013-14	%	2014-15	%
Jul	873,000		933,000	6.9%	1,001,000	7.3%	1,013,000	1.2%
Jul-Aug	1,720,000	119.4%	1,801,000	4.7%	1,943,000	7.9%	1,044,000	-46.3%
Jul-Sep	2,574,000	60.2%	2,693,000	4.6%	2,859,000	6.2%	1,058,000	-63.0%
Jul-Oct	3,450,000	40.6%	3,621,000	5.0%	3,821,000	5.5%	1,059,000	-72.3%
Jul-Nov	4,320,000	32.7%	4,486,000	3.8%	4,730,000	5.4%		
Jul-Dec	5,158,000	27.2%	5,339,000	3.5%	5,611,000	5.1%		
Jul-Jan	6,119,000	21.0%	6,364,000	4.0%	6,704,000	5.3%		
Jul-Feb	6,963,000	17.9%	7,225,000	3.8%	7,594,000	5.1%		
Jul-Mar	7,873,000	17.5%	8,090,000	2.8%	8,455,000	4.5%		
Jul-Apr	8,770,000	14.8%	9,117,000	4.0%	9,561,000	4.9%		
Jul-May	9,692,000	14.1%	10,014,000	3.3%	10,467,000	4.5%		
Jul-Jun	10,560,000	13.2%	10,918,000	3.4%	11,379,000	4.2%		