

Memorandum

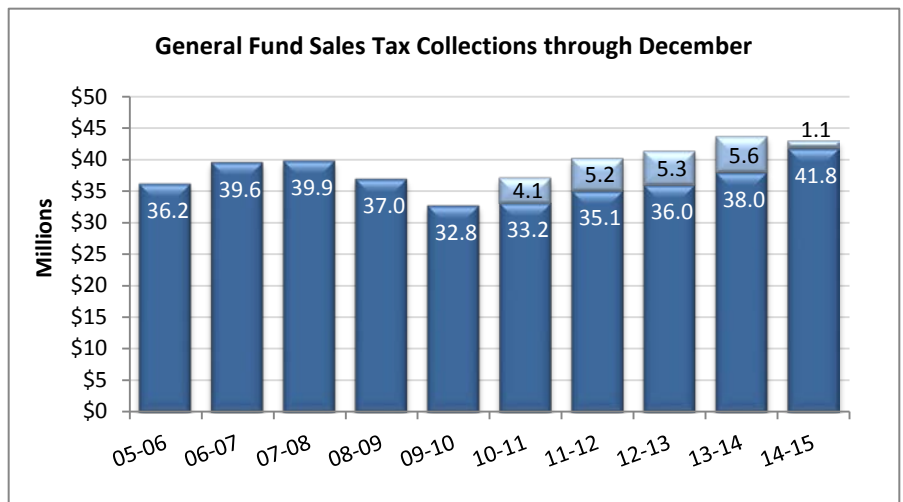


Municipal Budget Office

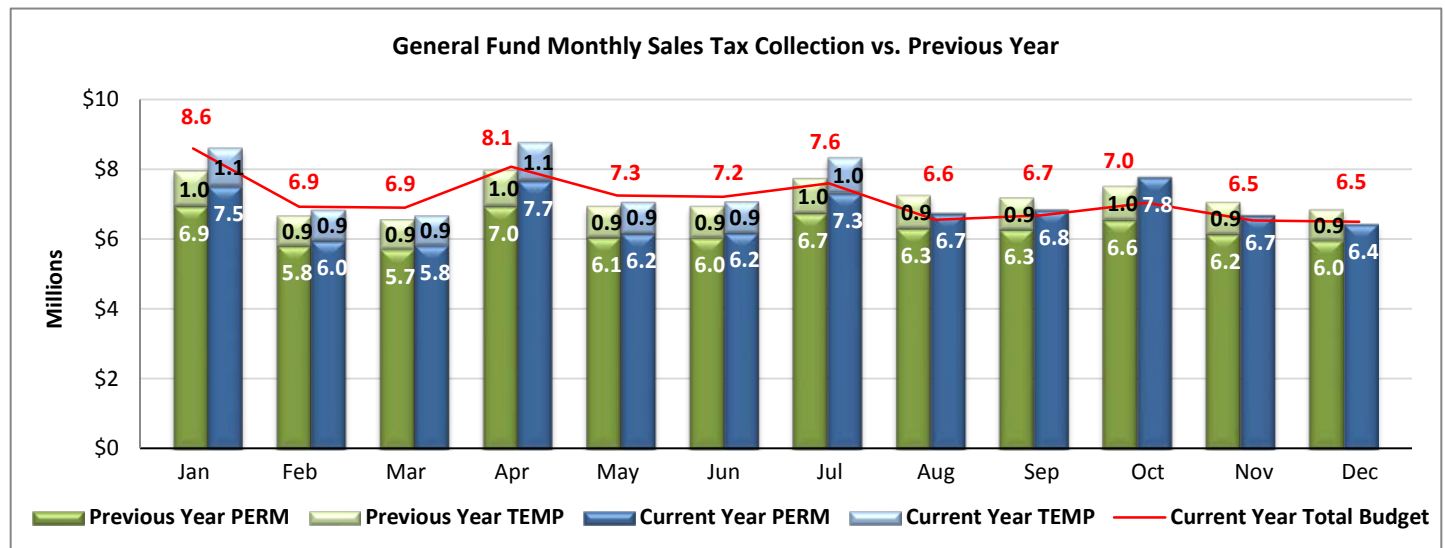
Date: January 23, 2015
 To: Mayor and Council
 From: Cecilia Robles, Budget Manager (350-8881)
 Subject: Tax Revenue Statistical Report – December 2014

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

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 December for FY 2014-15 is down 1.6% from the same period in the prior fiscal year. In terms of actual dollars received (\$42.9 million), we are \$0.7 million below last fiscal year (\$43.6 million). While the growth over the prior year appears to be declining, this revenue collection pattern is trending as forecasted to budget, considering 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 \$0.1 million below budgeted projections.



Executive Summary

	Current Month -December								Fiscal Year to Date through December							
	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	486,540,000	1.6%	504,742,000	3.7%	526,913,000	4.4%	563,137,000	6.9%	3,049,233,000	3.0%	3,145,118,000	3.1%	3,308,904,000	5.2%	3,626,384,000	9.6%
Retail Taxable Sales	253,927,000	4.0%	260,096,000	2.4%	270,125,000	3.9%	293,076,000	8.5%	1,504,464,000	1.7%	1,590,870,000	5.7%	1,683,275,000	5.8%	1,806,856,000	7.3%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	5,602,000	4.1%	5,711,000	1.9%	5,978,000	4.7%	6,438,000	7.7%	35,092,000	5.7%	36,016,000	2.6%	38,017,000	5.6%	41,834,000	10.0%
Temporary Privilege Tax - General Fund	838,000		853,000	1.8%	881,000	3.3%	8,000	-99.1%	5,158,000	27.2%	5,339,000	3.5%	5,611,000	5.1%	1,081,000	-80.7%
Transit Tax Fund (.5%)	2,336,000	4.2%	2,382,000	2.0%	2,494,000	4.7%	2,685,000	7.7%	14,633,000	5.8%	15,022,000	2.7%	15,858,000	5.6%	17,443,000	10.0%
Arts Tax Fund (.1%)	483,000	3.9%	495,000	2.5%	518,000	4.6%	560,000	8.1%	3,017,000	5.7%	3,099,000	2.7%	3,273,000	5.6%	3,597,000	9.9%
Privilege Tax - Rebates Fund	312,000	-26.6%	350,000	12.2%	370,000	5.7%	405,000	9.5%	1,770,000	-23.8%	1,847,000	4.4%	1,963,000	6.3%	1,908,000	-2.8%
Bed Tax Fund	369,000	-0.5%	390,000	5.7%	404,000	3.6%	486,000	20.3%	1,685,000	7.5%	1,763,000	4.6%	1,970,000	11.7%	2,257,000	14.6%
Totals	9,940,000	2.7%	10,181,000	2.4%	10,645,000	4.6%	10,582,000	-0.6%	61,355,000	6.1%	63,086,000	2.8%	66,692,000	5.7%	68,120,000	2.1%
Tax Revenues - Business Activities																
Retail	5,280,000	5.2%	5,301,000	0.4%	5,503,000	3.8%	5,553,000	0.9%	31,013,000	6.2%	32,485,000	4.7%	34,552,000	6.4%	34,405,000	-0.4%
Rentals	1,885,000	0.7%	1,892,000	0.4%	1,836,000	-3.0%	1,757,000	-4.3%	11,652,000	4.5%	11,946,000	2.5%	11,931,000	-0.1%	11,407,000	-4.4%
Utilities/Communication	728,000	-1.5%	812,000	11.5%	826,000	1.7%	739,000	-10.5%	5,980,000	2.1%	6,027,000	0.8%	6,227,000	3.3%	6,243,000	0.3%
Restaurants	811,000	7.3%	856,000	5.5%	989,000	15.5%	971,000	-1.8%	4,802,000	8.5%	4,884,000	1.7%	5,412,000	10.8%	5,279,000	-2.5%
Contracting	412,000	-6.6%	469,000	13.8%	608,000	29.6%	621,000	2.1%	3,744,000	21.6%	3,426,000	-8.5%	3,924,000	14.5%	5,946,000	51.5%
Hotel/Motel	198,000	0.0%	180,000	-9.1%	209,000	16.1%	222,000	6.2%	967,000	9.3%	935,000	-3.3%	1,056,000	12.9%	1,075,000	1.8%
Transient (Bed Tax)	369,000	-0.5%	390,000	5.7%	403,000	3.3%	486,000	20.6%	1,685,000	7.4%	1,764,000	4.7%	1,970,000	11.7%	2,257,000	14.6%
Amusements	156,000	-7.7%	134,000	-14.1%	144,000	7.5%	138,000	-4.2%	896,000	-3.9%	782,000	-12.7%	843,000	7.8%	776,000	-7.9%
All Other	101,000	-13.7%	147,000	45.5%	127,000	-13.6%	95,000	-25.2%	616,000	-14.0%	837,000	35.9%	777,000	-7.2%	732,000	-5.8%
Totals	9,940,000	2.7%	10,181,000	2.4%	10,645,000	4.6%	10,582,000	-0.6%	61,355,000	6.1%	63,086,000	2.8%	66,692,000	5.7%	68,120,000	2.1%
Tax Revenues - Retail Activities Breakdown																
Automotive	764,000	13.2%	852,000	11.5%	933,000	9.5%	988,000	5.9%	4,592,000	12.5%	5,265,000	14.7%	5,693,000	8.1%	5,951,000	4.5%
Furniture/Equipment/Electronics	1,148,000	12.7%	1,061,000	-7.6%	1,220,000	15.0%	1,134,000	-7.0%	6,568,000	3.1%	7,012,000	6.8%	8,268,000	17.9%	7,826,000	-5.3%
Department Stores	1,053,000	-29.5%	1,077,000	2.3%	1,104,000	2.5%	1,069,000	-3.2%	5,752,000	7.7%	5,959,000	3.6%	5,936,000	-0.4%	5,668,000	-4.5%
Grocery Stores	585,000	-2.7%	606,000	3.6%	641,000	5.8%	744,000	16.1%	3,443,000	6.6%	3,533,000	2.6%	3,741,000	5.9%	3,988,000	6.6%
Drugs/Small Stores	613,000	18.6%	532,000	-13.2%	522,000	-1.9%	524,000	0.4%	3,400,000	8.6%	3,350,000	-1.5%	3,505,000	4.6%	3,382,000	-3.5%
Manufacturing Firms	229,000	-10.5%	381,000	66.4%	249,000	-34.6%	162,000	-34.9%	1,895,000	16.3%	2,036,000	7.4%	1,636,000	-19.6%	1,491,000	-8.9%
Building Supply Stores	160,000	-11.6%	174,000	8.7%	178,000	2.3%	161,000	-9.6%	1,069,000	-0.9%	1,095,000	2.4%	1,166,000	6.5%	1,092,000	-6.3%
All Other Retail	728,000	-1.2%	618,000	-15.1%	656,000	6.1%	771,000	17.5%	4,294,000	-1.2%	4,235,000	-1.4%	4,607,000	8.8%	5,007,000	8.7%
Totals	5,280,000	5.2%	5,301,000	0.4%	5,503,000	3.8%	5,553,000	0.9%	31,013,000	6.2%	32,485,000	4.7%	34,552,000	6.4%	34,405,000	-0.4%
Tax Revenues - Business Districts																
Elliot Corridor	1,346,000	6.7%	1,456,000	8.2%	1,616,000	11.0%	1,568,000	-3.0%	7,681,000	2.8%	8,960,000	16.7%	9,621,000	7.4%	9,596,000	-0.3%
Autoplex (included in Elliot Corridor)	514,000	13.5%	592,000	15.2%	642,000	8.4%	702,000	9.3%	3,003,000	11.6%	3,653,000	21.6%	3,923,000	7.4%	4,113,000	4.8%
Market Place	458,000	-0.2%	514,000	12.2%	536,000	4.3%	532,000	-0.7%	2,524,000	3.7%	2,697,000	6.9%	2,849,000	5.6%	2,786,000	-2.2%
Mills Mall	583,000	4.5%	578,000	-0.9%	547,000	-5.4%	593,000	8.4%	3,108,000	7.1%	3,106,000	-0.1%	3,031,000	-2.4%	2,772,000	-8.5%
Downtown Tempe	377,000	32.3%	292,000	-22.5%	410,000	40.4%	427,000	4.1%	1,717,000	16.2%	1,698,000	-1.1%	2,015,000	18.7%	2,198,000	9.1%
Apache Blvd.	167,000	-5.1%	185,000	10.8%	201,000	8.6%	239,000	18.9%	1,076,000	0.4%	1,081,000	0.5%	1,257,000	16.3%	1,302,000	3.6%
ASU Properties	175,000	5.4%	199,000	13.7%	162,000	-18.6%	180,000	11.1%	984,000	17.4%	1,091,000	10.9%	1,175,000	7.7%	1,153,000	-1.9%
Rio Salado (1.8% and 3.0% Bed Tax)	244,000	-5.4%	233,000	-4.5%	266,000	14.2%	246,000	-7.5%	1,513,000	4.5%	1,360,000	-10.1%	1,513,000	11.3%	1,584,000	4.7%
All Other Areas	6,590,000	1.1%	6,724,000	2.0%	6,907,000	2.7%	6,797,000	-1.6%	42,752,000	6.4%	43,093,000	0.8%	45,231,000	5.0%	46,729,000	3.3%

**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	6,691,000	157,000	2.4%
Dec	8.0%	6,495,000	6,438,000	(57,000)	-0.9%
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	41,834,000	1,917,000	

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	35,396,000	1,974,000	5.9%
Jul-Dec	48.9%	39,917,000	41,834,000	1,917,000	4.8%
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	85,161,000	81,482,000	3,679,000	4.5%
Percentage Received	85,550,000	81,482,000	4,068,000	5.0%

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

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%	14,000	-98.5%
Dec	838,000	4.9%	853,000	1.8%	881,000	3.3%	8,000	-99.1%
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%	1,081,000	

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%	1,073,000	-77.3%
Jul-Dec	5,158,000	27.2%	5,339,000	3.5%	5,611,000	5.1%	1,081,000	-80.7%
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%		