

Memorandum

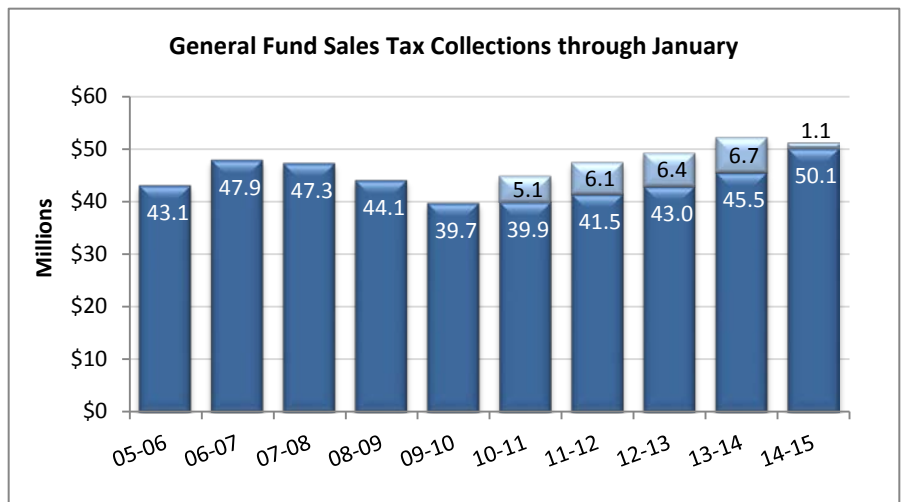


Municipal Budget Office

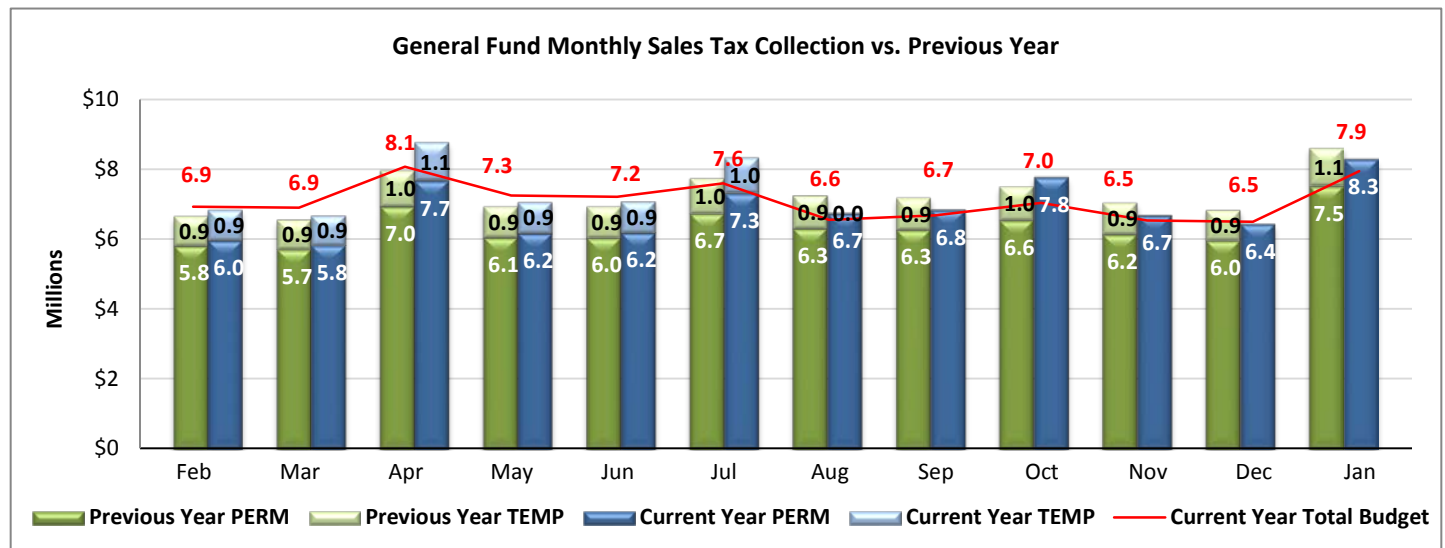
Date: February 13, 2015
 To: Mayor and Council
 From: Cecilia Robles, Budget Manager (350-8881)
 Subject: Tax Revenue Statistical Report – January 2015

Attached is the Executive Summary of the Tax Revenue Statistical Report for January 2015 covering December sales activity reported to our Tax and License Division in January.

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 January for FY 2014-15 is down 2.0% from the same period in the prior fiscal year. In terms of actual dollars received (\$51.2 million), we are \$1.0 million below last fiscal year (\$52.2 million). While the growth over the prior year appears to be declining, this revenue collection pattern is trending better than forecasted, considering the temporary sales tax expired in June of 2014.



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 \$0.4 million above budgeted projections.



Executive Summary

	Current Month -January						Fiscal Year to Date through January									
	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	#####	-5.4%	617,562,000	9.7%	659,861,000	6.8%	732,663,000	11.0%	#####	1.6%	#####	4.2%	#####	5.5%	#####	9.8%
Retail Taxable Sales	#####	-2.8%	340,389,000	5.4%	366,800,000	7.8%	379,382,000	3.4%	#####	0.8%	#####	5.7%	#####	6.2%	#####	6.6%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	6,370,000	-5.7%	6,943,000	9.0%	7,525,000	8.4%	8,292,000	10.2%	41,462,000	3.8%	42,959,000	3.6%	45,542,000	6.0%	50,126,000	10.1%
Temporary Privilege Tax - General Fund	961,000		1,025,000	6.7%	1,093,000	6.6%	4,000	-99.6%	6,119,000	21.0%	6,364,000	4.0%	6,704,000	5.3%	1,085,000	-83.8%
Transit Tax Fund (.5%)	2,656,000	-5.6%	2,897,000	9.1%	3,146,000	8.6%	3,458,000	9.9%	17,289,000	3.8%	17,919,000	3.6%	19,004,000	6.1%	20,901,000	10.0%
Arts Tax Fund (.1%)	555,000	-5.0%	605,000	9.0%	653,000	7.9%	718,000	10.0%	3,572,000	3.8%	3,704,000	3.7%	3,926,000	6.0%	4,315,000	9.9%
Privilege Tax - Rebates Fund	460,000	-2.7%	487,000	5.9%	473,000	-2.9%	461,000	-2.5%	2,230,000	-20.2%	2,334,000	4.7%	2,436,000	4.4%	2,369,000	-2.8%
Bed Tax Fund	296,000	-1.3%	349,000	17.9%	308,000	-11.7%	360,000	16.9%	1,981,000	6.0%	2,112,000	6.6%	2,278,000	7.9%	2,617,000	14.9%
Totals	11,298,000	-5.3%	12,306,000	8.9%	13,198,000	7.2%	13,293,000	0.7%	72,653,000	4.2%	75,392,000	3.8%	79,890,000	6.0%	81,413,000	1.9%
Tax Revenues - Business Activities																
Retail	6,619,000	-4.1%	6,915,000	4.5%	7,505,000	8.5%	7,080,000	-5.7%	37,632,000	4.2%	39,400,000	4.7%	42,057,000	6.7%	41,485,000	-1.4%
Rentals	1,923,000	-11.5%	2,258,000	17.4%	2,324,000	2.9%	2,148,000	-7.6%	13,575,000	1.9%	14,204,000	4.6%	14,255,000	0.4%	13,555,000	-4.9%
Utilities/Communication	808,000	10.8%	773,000	-4.3%	814,000	5.3%	735,000	-9.7%	6,788,000	3.1%	6,800,000	0.2%	7,041,000	3.5%	6,978,000	-0.9%
Restaurants	824,000	-3.5%	930,000	12.9%	984,000	5.8%	884,000	-10.2%	5,626,000	6.5%	5,814,000	3.3%	6,396,000	10.0%	6,163,000	-3.6%
Contracting	401,000	-29.2%	590,000	47.1%	781,000	32.4%	1,697,000	117.3%	4,145,000	13.7%	4,016,000	-3.1%	4,705,000	17.2%	7,643,000	62.4%
Hotel/Motel	174,000	8.1%	186,000	6.9%	179,000	-3.8%	167,000	-6.7%	1,141,000	9.1%	1,121,000	-1.8%	1,235,000	10.2%	1,242,000	0.6%
Transient (Bed Tax)	296,000	-1.3%	349,000	17.9%	308,000	-11.7%	360,000	16.9%	1,981,000	6.0%	2,113,000	6.7%	2,278,000	7.8%	2,617,000	14.9%
Amusements	141,000	-6.0%	137,000	-2.8%	169,000	23.4%	133,000	-21.3%	1,037,000	-4.2%	919,000	-11.4%	1,012,000	10.1%	909,000	-10.2%
All Other	112,000	17.9%	168,000	50.0%	134,000	-20.2%	89,000	-33.6%	728,000	-10.3%	1,005,000	38.0%	911,000	-9.4%	821,000	-9.9%
Totals	11,298,000	-5.3%	12,306,000	8.9%	13,198,000	7.2%	13,293,000	0.7%	72,653,000	4.2%	75,392,000	3.8%	79,890,000	6.0%	81,413,000	1.9%
Tax Revenues - Retail Activities Breakdown																
Automotive	844,000	5.0%	971,000	15.0%	1,084,000	11.6%	1,095,000	1.0%	5,436,000	11.3%	6,236,000	14.7%	6,777,000	8.7%	7,046,000	4.0%
Furniture/Equipment/Electronics	1,443,000	-7.1%	1,543,000	6.9%	1,842,000	19.4%	1,510,000	-18.0%	8,011,000	1.1%	8,555,000	6.8%	10,110,000	18.2%	9,336,000	-7.7%
Department Stores	1,445,000	-44.1%	1,469,000	1.7%	1,447,000	-1.5%	1,371,000	-5.3%	7,197,000	6.7%	7,428,000	3.2%	7,383,000	-0.6%	7,039,000	-4.7%
Grocery Stores	781,000	-6.6%	870,000	11.4%	915,000	5.2%	971,000	6.1%	4,224,000	3.9%	4,403,000	4.2%	4,656,000	5.7%	4,959,000	6.5%
Drugs/Small Stores	722,000	-2.3%	794,000	10.0%	847,000	6.7%	737,000	-13.0%	4,122,000	6.5%	4,144,000	0.5%	4,352,000	5.0%	4,119,000	-5.4%
Manufacturing Firms	425,000	26.9%	361,000	-15.1%	352,000	-2.5%	272,000	-22.7%	2,320,000	18.1%	2,397,000	3.3%	1,988,000	-17.1%	1,763,000	-11.3%
Building Supply Stores	172,000	8.2%	139,000	-19.2%	177,000	27.3%	163,000	-7.9%	1,241,000	0.2%	1,234,000	-0.6%	1,343,000	8.8%	1,255,000	-6.6%
All Other Retail	787,000	-26.4%	768,000	-2.4%	841,000	9.5%	961,000	14.3%	5,081,000	-6.2%	5,003,000	-1.5%	5,448,000	8.9%	5,968,000	9.5%
Totals	6,619,000	-4.1%	6,915,000	4.5%	7,505,000	8.5%	7,080,000	-5.7%	37,632,000	4.2%	39,400,000	4.7%	42,057,000	6.7%	41,485,000	-1.4%
Tax Revenues - Business Districts																
Elliot Corridor	1,598,000	-0.5%	1,799,000	12.6%	1,908,000	6.1%	1,756,000	-8.0%	9,279,000	2.2%	10,759,000	15.9%	11,529,000	7.2%	11,352,000	-1.5%
Autoplex (included in Elliot Corridor)	608,000	13.9%	695,000	14.3%	769,000	10.6%	736,000	-4.3%	3,611,000	12.0%	4,348,000	20.4%	4,692,000	7.9%	4,849,000	3.3%
Market Place	699,000	13.5%	717,000	2.6%	700,000	-2.4%	683,000	-2.4%	3,223,000	5.7%	3,414,000	5.9%	3,549,000	4.0%	3,469,000	-2.3%
Mills Mall	805,000	4.0%	778,000	-3.4%	790,000	1.5%	707,000	-10.5%	3,913,000	6.5%	3,884,000	-0.7%	3,821,000	-1.6%	3,479,000	-9.0%
Downtown Tempe	348,000	25.2%	386,000	10.9%	358,000	-7.3%	373,000	4.2%	2,065,000	17.7%	2,084,000	0.9%	2,373,000	13.9%	2,571,000	8.3%
Apache Blvd.	164,000	-20.4%	193,000	17.7%	197,000	2.1%	208,000	5.6%	1,240,000	-3.0%	1,274,000	2.7%	1,454,000	14.1%	1,510,000	3.9%
ASU Properties	152,000	15.2%	149,000	-2.0%	211,000	41.6%	140,000	-33.6%	1,136,000	17.1%	1,240,000	9.2%	1,386,000	11.8%	1,293,000	-6.7%
Rio Salado (1.8% and 3.0% Bed Tax)	106,000	-31.2%	233,000	119.8%	300,000	28.8%	308,000	2.7%	1,619,000	1.1%	1,593,000	-1.6%	1,813,000	13.8%	1,892,000	4.4%
All Other Areas	7,426,000	-9.1%	8,051,000	8.4%	8,734,000	8.5%	9,118,000	4.4%	50,178,000	3.8%	51,144,000	1.9%	53,965,000	5.5%	55,847,000	3.5%

**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	8,292,000	346,000	4.4%
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	50,126,000	2,263,000	

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	50,126,000	2,263,000	4.7%
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	85,181,000	81,482,000	3,699,000	4.5%
Percentage Received	85,394,000	81,482,000	3,912,000	4.8%

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

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%	4,000	-99.6%
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%	1,085,000	

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%	1,085,000	-83.8%
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%		