

Memorandum

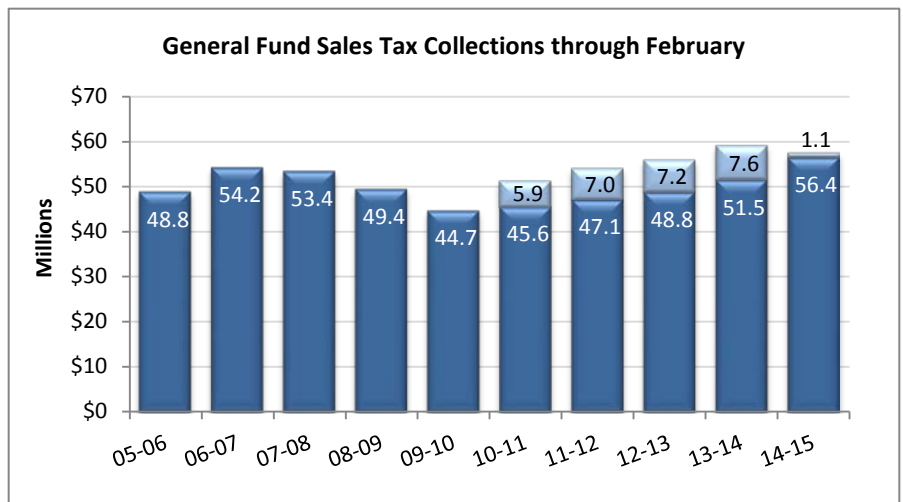


Municipal Budget Office

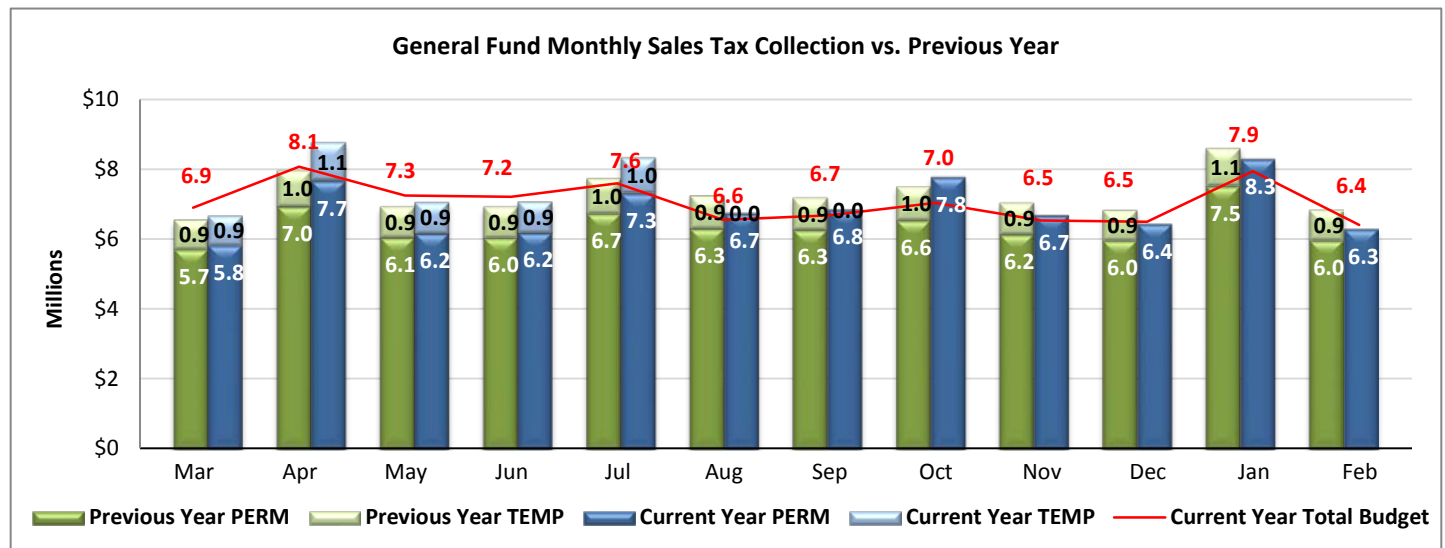
Date: March 20, 2015
 To: Mayor and Council
 From: Cecilia Robles, Budget Manager (350-8881)
 Subject: Tax Revenue Statistical Report – February 2015

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

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 February for FY 2014-15 is down 2.7% from the same period in the prior fiscal year. In terms of actual dollars received (\$57.5 million), we are \$1.6 million below last fiscal year (\$59.1 million). While the growth in taxable sales is leveling out, this revenue collection pattern is consistent with our forecast 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 \$0.1 million below budgeted projections.



Executive Summary

	Current Month -February								Fiscal Year to Date through February							
	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	492,561,000	0.3%	497,903,000	1.1%	523,197,000	5.1%	553,061,000	5.7%	4,104,751,000	1.4%	4,260,583,000	3.8%	4,491,962,000	5.4%	4,912,108,000	9.4%
Retail Taxable Sales	260,294,000	2.8%	269,765,000	3.6%	271,988,000	0.8%	278,152,000	2.3%	2,087,796,000	1.1%	2,201,024,000	5.4%	2,322,063,000	5.5%	2,464,390,000	6.1%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	5,680,000	1.1%	5,815,000	2.4%	5,970,000	2.7%	6,298,000	5.5%	47,142,000	3.5%	48,774,000	3.5%	51,512,000	5.6%	56,424,000	9.5%
Temporary Privilege Tax - General Fund	844,000		861,000	2.0%	890,000	3.4%	8,000	-99.1%	6,963,000	17.9%	7,225,000	3.8%	7,594,000	5.1%	1,093,000	-85.6%
Transit Tax Fund (.5%)	2,369,000	1.2%	2,424,000	2.3%	2,490,000	2.7%	2,627,000	5.5%	19,658,000	3.5%	20,343,000	3.5%	21,494,000	5.7%	23,528,000	9.5%
Arts Tax Fund (.1%)	487,000	1.2%	501,000	2.9%	513,000	2.4%	544,000	6.0%	4,059,000	3.5%	4,205,000	3.6%	4,439,000	5.6%	4,859,000	9.5%
Privilege Tax - Rebates Fund	253,000	1.6%	304,000	20.2%	297,000	-2.3%	313,000	5.4%	2,483,000	-18.5%	2,638,000	6.2%	2,733,000	3.6%	2,682,000	-1.9%
Bed Tax Fund	426,000	-11.6%	483,000	13.4%	531,000	9.9%	699,000	31.6%	2,407,000	2.4%	2,595,000	7.8%	2,809,000	8.2%	3,316,000	18.0%
Totals	10,059,000	0.4%	10,388,000	3.3%	10,691,000	2.9%	10,489,000	-1.9%	82,712,000	3.7%	85,780,000	3.7%	90,581,000	5.6%	91,902,000	1.5%
Tax Revenues - Business Activities																
Retail	5,304,000	1.6%	5,499,000	3.7%	5,587,000	1.6%	5,387,000	-3.6%	42,936,000	3.9%	44,899,000	4.6%	47,644,000	6.1%	46,872,000	-1.6%
Rentals	1,843,000	3.8%	1,771,000	-3.9%	1,852,000	4.6%	1,550,000	-16.3%	15,418,000	2.1%	15,975,000	3.6%	16,107,000	0.8%	15,105,000	-6.2%
Utilities/Communication	708,000	-7.2%	734,000	3.7%	788,000	7.4%	672,000	-14.7%	7,496,000	2.0%	7,534,000	0.5%	7,829,000	3.9%	7,650,000	-2.3%
Restaurants	775,000	-1.8%	854,000	10.2%	947,000	10.9%	914,000	-3.5%	6,401,000	5.5%	6,668,000	4.2%	7,343,000	10.1%	7,077,000	-3.6%
Contracting	520,000	33.7%	491,000	-5.6%	494,000	0.6%	775,000	56.9%	4,665,000	15.7%	4,507,000	-3.4%	5,199,000	15.4%	8,418,000	61.9%
Hotel/Motel	228,000	-8.4%	257,000	12.7%	265,000	3.1%	308,000	16.2%	1,369,000	5.7%	1,378,000	0.7%	1,500,000	8.9%	1,550,000	3.3%
Transient (Bed Tax)	426,000	-11.6%	483,000	13.4%	531,000	9.9%	699,000	31.6%	2,407,000	2.4%	2,596,000	7.9%	2,809,000	8.2%	3,316,000	18.0%
Amusements	146,000	-20.2%	141,000	-3.4%	121,000	-14.2%	109,000	-9.9%	1,183,000	-6.5%	1,060,000	-10.4%	1,133,000	6.9%	1,018,000	-10.2%
All Other	109,000	-35.9%	158,000	45.0%	106,000	-32.9%	75,000	-29.2%	837,000	-14.8%	1,163,000	38.9%	1,017,000	-12.6%	896,000	-11.9%
Totals	10,059,000	0.4%	10,388,000	3.3%	10,691,000	2.9%	10,489,000	-1.9%	82,712,000	3.7%	85,780,000	3.7%	90,581,000	5.6%	91,902,000	1.5%
Tax Revenues - Retail Activities Breakdown																
Automotive	728,000	2.1%	821,000	12.8%	952,000	16.0%	928,000	-2.5%	6,164,000	10.1%	7,057,000	14.5%	7,729,000	9.5%	7,974,000	3.2%
Furniture/Equipment/Electronics	1,203,000	32.5%	1,234,000	2.6%	1,190,000	-3.6%	1,130,000	-5.0%	9,214,000	4.3%	9,789,000	6.2%	11,300,000	15.4%	10,466,000	-7.4%
Department Stores	858,000	-36.4%	921,000	7.3%	867,000	-5.9%	851,000	-1.8%	8,055,000	5.9%	8,349,000	3.6%	8,250,000	-1.2%	7,890,000	-4.4%
Grocery Stores	553,000	3.6%	667,000	20.6%	633,000	-5.1%	653,000	3.2%	4,777,000	3.8%	5,070,000	6.1%	5,289,000	4.3%	5,612,000	6.1%
Drugs/Small Stores	650,000	27.2%	666,000	2.5%	652,000	-2.1%	554,000	-15.0%	4,772,000	8.9%	4,810,000	0.8%	5,004,000	4.0%	4,673,000	-6.6%
Manufacturing Firms	578,000	-10.1%	467,000	-19.2%	319,000	-31.7%	253,000	-20.7%	2,898,000	11.2%	2,864,000	-1.2%	2,307,000	-19.4%	2,016,000	-12.6%
Building Supply Stores	187,000	16.1%	103,000	-44.9%	205,000	99.0%	163,000	-20.5%	1,428,000	2.1%	1,337,000	-6.4%	1,548,000	15.8%	1,418,000	-8.4%
All Other Retail	546,000	-38.8%	617,000	13.0%	770,000	24.8%	858,000	11.4%	5,627,000	-10.8%	5,620,000	-0.1%	6,218,000	10.6%	6,826,000	9.8%
Totals	5,303,000	1.6%	5,496,000	3.6%	5,588,000	1.7%	5,390,000	-3.5%	42,935,000	3.9%	44,896,000	4.6%	47,645,000	6.1%	46,875,000	-1.6%
Tax Revenues - Business Districts																
Elliot Corridor	1,201,000	7.4%	1,447,000	20.5%	1,430,000	-1.2%	1,388,000	-2.9%	10,480,000	2.8%	12,206,000	16.5%	12,959,000	6.2%	12,740,000	-1.7%
Autoplex (included in Elliot Corridor)	481,000	5.7%	611,000	27.0%	651,000	6.5%	658,000	1.1%	4,092,000	11.2%	4,959,000	21.2%	5,343,000	7.7%	5,507,000	3.1%
Market Place	376,000	3.9%	455,000	21.0%	438,000	-3.7%	468,000	6.8%	3,599,000	5.5%	3,869,000	7.5%	3,987,000	3.0%	3,937,000	-1.3%
Mills Mall	417,000	-11.8%	471,000	12.9%	460,000	-2.3%	342,000	-25.7%	4,330,000	4.4%	4,355,000	0.6%	4,281,000	-1.7%	3,821,000	-10.7%
Downtown Tempe	323,000	-0.6%	343,000	6.2%	451,000	31.5%	446,000	-1.1%	2,388,000	14.8%	2,427,000	1.6%	2,824,000	16.4%	3,017,000	6.8%
Apache Blvd.	179,000	-21.1%	216,000	20.7%	211,000	-2.3%	197,000	-6.6%	1,419,000	-5.7%	1,490,000	5.0%	1,665,000	11.7%	1,707,000	2.5%
ASU Properties	277,000	46.6%	262,000	-5.4%	258,000	-1.5%	137,000	-46.9%	1,413,000	21.9%	1,502,000	6.3%	1,644,000	9.5%	1,430,000	-13.0%
Rio Salado (1.8% and 3.0% Bed Tax)	371,000	16.3%	280,000	-24.5%	299,000	6.8%	294,000	-1.7%	1,990,000	3.6%	1,873,000	-5.9%	2,112,000	12.8%	2,186,000	3.5%
All Other Areas	6,915,000	-1.3%	6,914,000	0.0%	7,144,000	3.3%	7,217,000	1.0%	57,093,000	3.1%	58,058,000	1.7%	61,109,000	5.3%	63,064,000	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	8.1%	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	6,298,000	(104,000)	-1.6%
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	56,424,000	2,159,000	

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	56,424,000	2,159,000	4.0%
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	84,771,000	81,482,000	3,289,000	4.0%
Percentage Received	84,721,000	81,482,000	3,239,000	4.0%

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

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%	8,000	-99.1%
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%	1,093,000	

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%	1,093,000	-85.6%
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%		