Memorandum

Municipal Budget Office

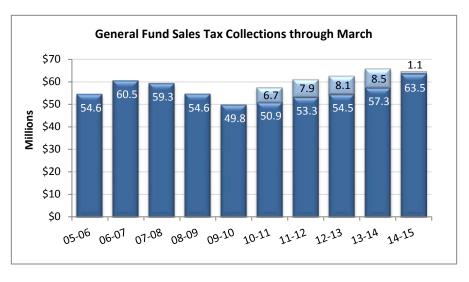


Date: April 17, 2015
To: Mayor and Council

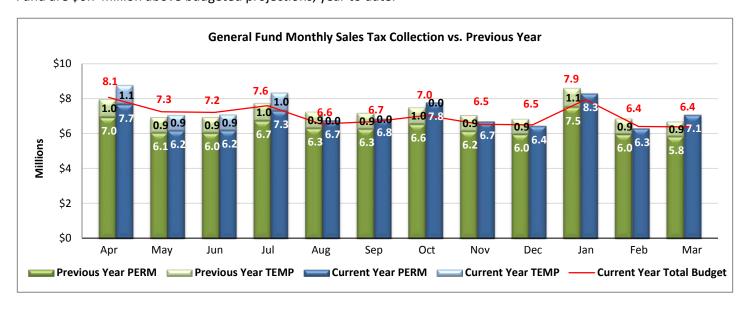
From: Cecilia Robles, Budget Manager (350-8881)
Subject: Tax Revenue Statistical Report – March 2015

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

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 March for FY 2014-15 is down 1.8% from the same period in the prior fiscal year. In terms of actual dollars received (\$64.6 million), we are \$1.2 million below last fiscal year (\$65.8 million). The growth in taxable sales is leveling out and 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 \$0.7 million above budgeted projections, year to date.



Executive Summary

	Current Month -March						Fiscal Year to Date through March									
	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	538,536,000	17.4%	495,625,000	-8.0%	514,642,000	3.8%	621,347,000	20.7%	4,643,287,000	3.1%	4,756,208,000	2.4%	5,006,604,000	5.3%	5,533,455,000	10.5%
Retail Taxable Sales	273,272,000	11.0%	242,350,000	-11.3%	267,953,000	10.6%	306,299,000	14.3%	2,361,068,000	2.1%	2,443,374,000	3.5%	2,590,016,000	6.0%	2,770,689,000	7.0%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	6,108,000	15.2%	5,719,000	-6.4%	5,835,000	2.0%	7,074,000	21.2%	53,250,000	4.7%	54,493,000	2.3%	57,347,000	5.2%	63,498,000	10.7%
Temporary Privilege Tax - General Fund	911,000		866,000	-4.9%	862,000	-0.5%	8,000	-99.1%	7,874,000	17.5%	8,091,000	2.8%	8,456,000	4.5%	1,101,000	-87.0%
Transit Tax Fund (.5%)	2,547,000	15.3%	2,382,000	-6.5%	2,434,000	2.2%	2,952,000	21.3%	22,205,000	4.7%	22,725,000	2.3%	23,928,000	5.3%	26,480,000	10.7%
Arts Tax Fund (.1%)	529,000	16.0%	492,000	-7.0%	502,000	2.0%	608,000	21.1%	4,588,000	4.8%	4,697,000	2.4%	4,941,000	5.2%	5,467,000	10.6%
Privilege Tax - Rebates Fund	354,000	35.1%	300,000	-15.3%	319,000	6.3%	317,000	-0.6%	2,837,000	-14.2%	2,938,000	3.6%	3,052,000	3.9%	2,999,000	-1.7%
Bed Tax Fund	608,000	29.6%	536,000	-11.8%	624,000	16.4%	852,000	36.5%	3,015,000	7.0%	3,131,000	3.8%	3,433,000	9.6%	4,168,000	21.4%
Totals	11,057,000	16.5%	10,295,000	-6.9%	10,576,000	2.7%	11,811,000	11.7%	93,769,000	5.0%	96,075,000	2.5%	101,157,000	5.3%	103,713,000	2.5%
Tax Revenues - Business Activities																
Retail	5,582,000	15.8%	5,055,000	-9.4%	5,473,000	8.3%	5,691,000	4.0%	48,518,000	5.1%	49,954,000	3.0%	53,117,000	6.3%	52,563,000	-1.0%
Rentals	2,114,000	16.1%	1,970,000	-6.8%	1,740,000	-11.7%	1,891,000	8.7%	17,532,000	3.6%	17,945,000	2.4%	17,847,000	-0.5%	16,996,000	-4.8%
Utilities/Communication	624,000	-12.6%	811,000	30.0%	730,000	-10.0%	634,000	-13.2%	8,120,000	0.7%	8,345,000	2.8%	8,559,000	2.6%	8,284,000	-3.2%
Restaurants	1,051,000	26.8%	917,000	-12.7%	963,000	5.0%	1,072,000	11.3%	7,452,000	8.0%	7,585,000	1.8%	8,306,000	9.5%	8,149,000	-1.9%
Contracting	515,000	28.8%	520,000	1.0%	538,000	3.5%	1,091,000	102.8%	5,180,000	16.9%	5,027,000	-3.0%	5,737,000	14.1%	9,509,000	65.7%
Hotel/Motel	309,000	33.8%	266,000	-13.9%	311,000	16.9%	368,000	18.3%	1,678,000	10.0%	1,644,000	-2.0%	1,811,000	10.2%	1,918,000	5.9%
Transient (Bed Tax)	607,000	29.4%	536,000	-11.7%	624,000	16.4%	852,000	36.5%	3,014,000	6.9%	3,132,000	3.9%	3,433,000	9.6%	4,168,000	21.4%
Amusements	151,000	18.9%	106,000	-29.8%	109,000	2.8%	114,000	4.6%	1,334,000	-4.2%	1,166,000	-12.6%	1,242,000	6.5%	1,132,000	-8.9%
All Other	104,000	25.3%	114,000	9.6%	88,000	-22.8%	98,000	11.4%	941,000	-11.6%	1,277,000	35.7%	1,105,000	-13.5%	994,000	-10.0%
Totals	11,057,000	16.5%	10,295,000	-6.9%	10,576,000	2.7%	11,811,000	11.7%	93,769,000	5.0%	96,075,000	2.5%	101,157,000	5.3%	103,713,000	2.5%
Tax Revenues - Retail Activities Breakdown			.=							44.0					0.04.000	
Automotive	942,000	25.1%	878,000	-6.8%	962,000	9.6%	977,000	1.6%	7,106,000	11.9%	7,935,000	11.7%	8,691,000	9.5%	8,951,000	3.0%
Furniture/Equipment/Electronics	1,169,000	22.5%	1,012,000	-13.4%	1,088,000	7.5%	1,212,000	11.4%	10,383,000	6.1%	10,801,000	4.0%	12,388,000	14.7%	11,678,000	-5.7%
Department Stores	1,014,000	-35.5% 28.8%	972,000	-4.1%	1,007,000	3.6%	958,000	-4.9%	9,069,000	6.0%	9,321,000	2.8%	9,257,000	-0.7%	8,848,000	-4.4%
Grocery Stores	694,000 609,000	28.8% 15.3%	383,000	-44.8% -8.9%	653,000 549,000	70.5% -1.1%	682,000 566,000	4.4% 3.1%	5,471,000 5,381,000	6.4% 9.6%	5,453,000	-0.3% -0.3%	5,942,000 5,553,000	9.0% 3.5%	6,294,000 5,239,000	5.9% -5.7%
Drugs/Small Stores Manufacturing Firms	362,000	52.1%	555,000 343,000	-8.9% -5.2%	338,000	-1.1%	262,000	-22.5%	3,260,000	9.6% 14.6%	5,365,000 3,207,000	-0.5%	2,645,000	-17.5%	2,278,000	-3.7%
Building Supply Stores	178,000	19.5%	229,000	28.7%	190,000	-17.0%	203,000	6.8%	1,606,000	3.7%	1,566,000	-2.5%	1,738,000	11.0%	1,621,000	-6.7%
All Other Retail	615,000	-12.8%	686,000	11.5%	685,000	-0.1%	828,000	20.9%	6,242,000	-11.0%	6,306,000	1.0%	6,903,000	9.5%	7,654,000	10.9%
Totals	5,583,000	15.9%	5,058,000	-9.4%	5,472,000	8.2%	5,688,000	3.9%	48,518,000	5.1%	49,954,000	3.0%	53,117,000	6.3%	52,563,000	-1.0%
Tax Revenues - Business Districts																
Elliot Corridor	1,545,000	25.3%	1,446,000	-6.4%	1,483,000	2.6%	1,629,000	9.8%	12,025,000	5.2%	13,652,000	13.5%	14,442,000	5.8%	14,369,000	-0.5%
Autoplex (included in Elliot Corridor)	645,000	33.0%	611,000	-5.3%	655,000	7.2%	657,000	0.3%	4,737,000	13.7%	5,570,000	17.6%	5,998,000	7.7%	6,164,000	2.8%
Market Place	532,000	38.5%	451,000	-15.2%	472,000	4.7%	468,000	-0.8%	4,131,000	8.8%	4,320,000	4.6%	4,459,000	3.2%	4,405,000	-1.2%
Mills Mall	626,000	14.4%	530,000	-15.3%	527,000	-0.6%	588,000	11.6%	4,956,000	5.6%	4,885,000	-1.4%	4,808,000	-1.6%	4,409,000	-8.3%
Downtown Tempe	401,000	26.5%	374,000	-6.7%	432,000	15.5%	532,000	23.1%	2,789,000	16.4%	2,801,000	0.4%	3,256,000	16.2%	3,549,000	9.0%
Apache Blvd.	356,000	79.8%	227,000	-36.2%	308,000	35.7%	210,000	-31.8%	1,775,000	4.2%	1,717,000	-3.3%	1,973,000	14.9%	1,917,000	-2.8%
ASU Properties Rio Salado (1.8% and 3.0% Bed Tax)	179,000 310,000	31.6% 37.8%	141,000 334,000	-21.2% 7.7%	145,000 275,000	2.8% -17.7%	239,000 394,000	64.8% 43.3%	1,592,000 2,300,000	22.9% 7.2%	1,643,000 2,207,000	3.2% -4.0%	1,789,000 2,387,000	8.9% 8.2%	1,669,000 2,580,000	-6.7% 8.1%
All Other Areas	7,108,000	10.1%	6,792,000	-4.4%	6,934,000	2.1%	7,751,000	11.8%	64,201,000	3.9%	64,850,000	1.0%	68,043,000	4.9%	70,815,000	4.1%

Privilege Tax Revenue - General Fund (1.2%) 2014-15 Actual Compared to Budget

Monthly Amounts

	2014-15 I	Budget	2014-15	Over(Under)			
	Percent	Amount	Actual	Amount	Percent		
Jul	8.1%	6,621,000	7,325,000	704,000	10.6%		
Aug	8.0%	6,554,000	6,748,000	194,000	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	6,382,000 7,077,000		10.9%		
Apr	9.2%	7,461,000					
May	8.2%	6,705,000					
Jun	8.2%	6,669,000					
Totals	100.0%	81,482,000	63,498,000	2,851,000			

Cumulative Amounts

	2014-15 H	Budget	2014-15	Over(Under)			
	Percent	Amount	Actual	Amount	Percent		
Jul	8.1%	6,621,000	7,325,000	704,000	10.6%		
Jul-Aug	16.1%	13,175,000	14,073,000	898,000	6.8%		
Jul-Sep	24.3%	19,853,000	20,920,000	1,067,000	5.4%		
Jul-Oct	32.9%	26,888,000	28,702,000	1,814,000	6.7%		
Jul-Nov	40.9%	33,422,000	35,393,000	1,971,000	5.9%		
Jul-Dec	48.9%	39,917,000	41,831,000	1,914,000	4.8%		
Jul-Jan	58.7%	47,863,000	50,123,000	2,260,000	4.7%		
Jul-Feb	66.6%	54,265,000	56,421,000	2,156,000	4.0%		
Jul-Mar	74.4%	60,647,000	63,498,000	2,851,000	4.7%		
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

	<u>Privile</u>	ge Tax	Overage/Shortage		
Method	Projected	Budgeted	Amount	Percent	
Percent of Increase	85,693,000	81,482,000	4,211,000	5.2%	
Percentage Received	85,347,000	81,482,000	3,865,000	4.7%	

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

Monthly Amounts

	2011-12	%	2012-13	%	2013-14	%	2014-15	%
Jul	874,000		934,000	6.9%	1,001,000	7.2%	1,012,000	1.1%
Aug	847,000	8.0%	868,000	2.5%	943,000	8.6%	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%	9,000	-99.0%
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	10,561,000	13.3%	10,919,000	3.4%	11,380,000	4.2%	1,101,000	

Cumulative Amounts

	2011-12	%	2012-13	%	2013-14	%	2014-15	%	
Jul	874,000		934,000	6.9%	1,001,000	7.2%	1,012,000	1.1%	
Jul-Aug	1,721,000	119.5%	1,802,000	4.7%	1,944,000	7.9%	1,043,000	-46.3%	
Jul-Sep	2,575,000	60.2%	2,694,000	4.6%	2,860,000	6.2%	1,057,000	-63.0%	
Jul-Oct	3,451,000	40.6%	3,622,000	5.0%	3,822,000	5.5%	1,058,000	-72.3%	
Jul-Nov	4,321,000	32.7%	4,487,000	3.8%	4,731,000	5.4%	1,072,000	-77.3%	
Jul-Dec	5,159,000	27.3%	5,340,000	3.5%	5,612,000	5.1%	1,080,000	-80.8%	
Jul-Jan	6,120,000	21.0%	6,365,000	4.0%	6,705,000	5.3%	1,084,000	-83.8%	
Jul-Feb	6,964,000	17.9%	7,226,000	3.8%	7,595,000	5.1%	1,092,000	-85.6%	
Jul-Mar	7,874,000	17.5%	8,091,000	2.8%	8,456,000	4.5%	1,101,000	-87.0%	
Jul-Apr	8,771,000	14.8%	9,118,000	4.0%	9,562,000	4.9%			
Jul-May	9,693,000	14.1%	10,015,000	3.3%	10,468,000	4.5%			
Jul-Jun	10,561,000	13.3%	10,919,000	3.4%	11,380,000	4.2%			