

Memorandum

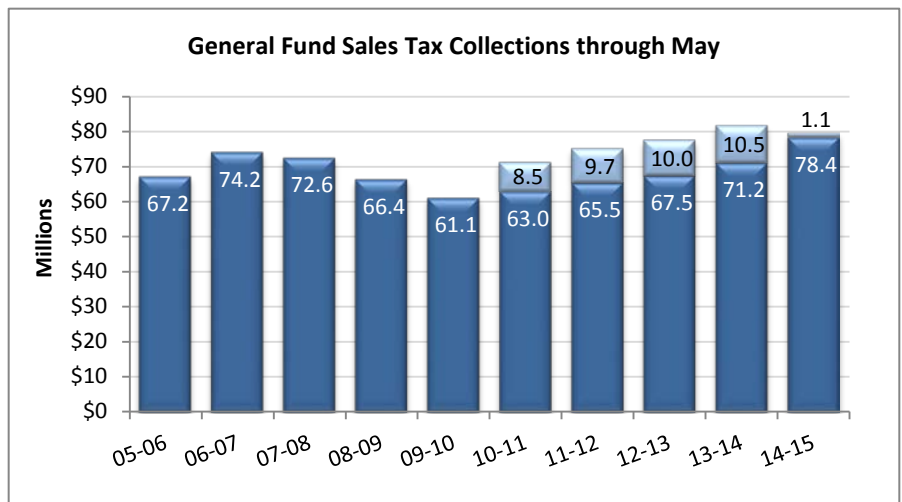


Municipal Budget Office

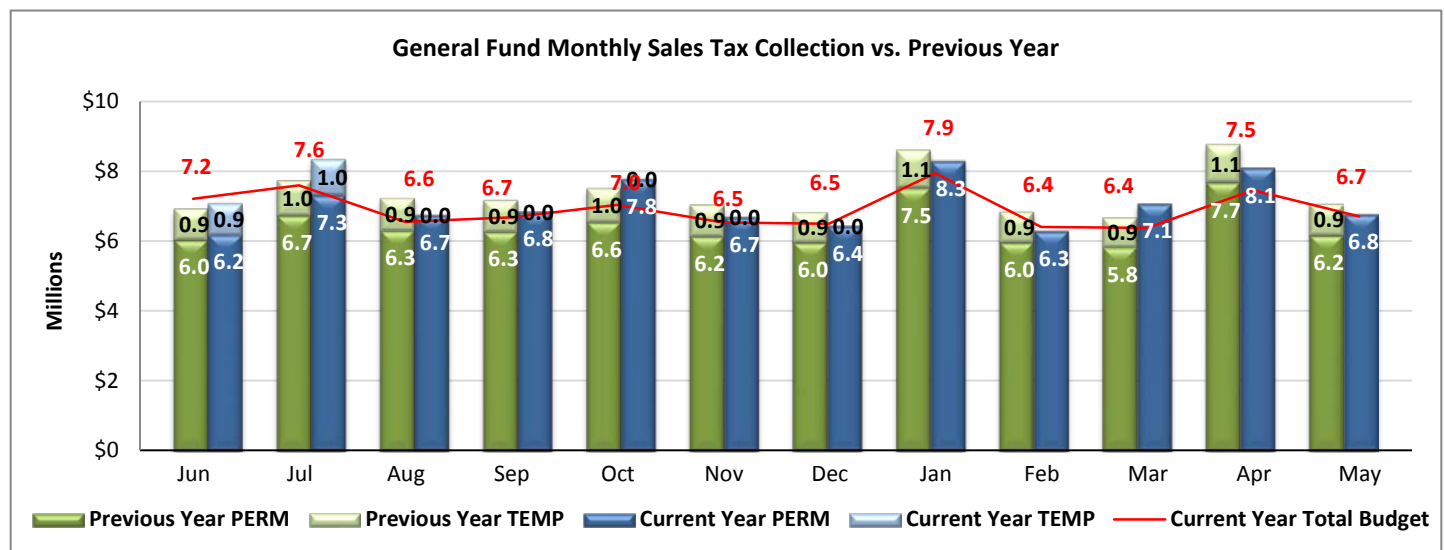
Date: June 4, 2015
 To: Mayor and Council
 From: Cecilia Robles, Budget Manager (350-8881)
 Subject: Tax Revenue Statistical Report – May 2015

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

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 May for FY 2014-15 is down 2.7% from the same period in the prior fiscal year. In terms of actual dollars received (\$79.5 million), we are \$2.2 million below last fiscal year (\$81.7 million). The growth in taxable sales is leveling out and this revenue collection pattern is consistent with our February 2015 forecast, which is significantly stronger than initial budget estimates.



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 \$70,000 above budgeted projections for the month.



Executive Summary

	Current Month -May								Fiscal Year to Date through May							
	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	550,891,000	9.5%	533,149,000	-3.2%	546,493,000	2.5%	595,812,000	9.0%	5,725,516,000	2.7%	5,907,176,000	3.2%	6,229,064,000	5.4%	6,851,650,000	10.0%
Retail Taxable Sales	278,732,000	5.2%	270,970,000	-2.8%	278,205,000	2.7%	300,284,000	7.9%	2,907,232,000	1.6%	3,036,000,000	4.4%	3,195,737,000	5.3%	3,417,302,000	6.9%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	6,253,000	8.1%	6,058,000	-3.1%	6,176,000	1.9%	6,768,000	9.6%	65,494,000	4.0%	67,502,000	3.1%	71,200,000	5.5%	78,372,000	10.1%
Temporary Privilege Tax - General Fund	923,000	7.1%	896,000	-2.9%	906,000	1.1%	5,000	-99.4%	9,694,000	14.1%	10,014,000	3.3%	10,468,000	4.5%	1,112,000	-89.4%
Transit Tax Fund (.5%)	2,608,000	8.2%	2,533,000	-2.9%	2,576,000	1.7%	2,822,000	9.5%	27,312,000	4.0%	28,154,000	3.1%	29,705,000	5.5%	32,683,000	10.0%
Arts Tax Fund (.1%)	537,000	8.5%	522,000	-2.8%	532,000	1.9%	582,000	9.4%	5,643,000	4.2%	5,817,000	3.1%	6,134,000	5.4%	6,747,000	10.0%
Privilege Tax - Rebates Fund	312,000	24.3%	316,000	1.3%	322,000	1.9%	304,000	-5.6%	3,501,000	-9.7%	3,608,000	3.1%	3,758,000	4.2%	3,688,000	-1.9%
Bed Tax Fund	468,000	6.1%	533,000	13.9%	527,000	-1.1%	544,000	3.2%	4,156,000	6.1%	4,330,000	4.2%	4,860,000	12.2%	5,764,000	18.6%
Totals	11,101,000	8.4%	10,858,000	-2.2%	11,039,000	1.7%	11,025,000	-0.1%	115,800,000	4.4%	119,425,000	3.1%	126,125,000	5.6%	128,366,000	1.8%
Tax Revenues - Business Activities																
Retail	5,636,000	4.5%	5,576,000	-1.1%	5,673,000	1.7%	5,518,000	-2.7%	59,622,000	4.1%	62,124,000	4.2%	65,590,000	5.6%	64,550,000	-1.6%
Rentals	2,028,000	10.9%	1,915,000	-5.6%	1,886,000	-1.5%	1,828,000	-3.1%	21,660,000	3.6%	22,150,000	2.3%	22,111,000	-0.2%	21,194,000	-4.1%
Utilities/Communication	732,000	2.5%	715,000	-2.3%	837,000	17.1%	712,000	-14.9%	9,545,000	0.5%	9,764,000	2.3%	10,228,000	4.8%	9,710,000	-5.1%
Restaurants	1,086,000	21.9%	957,000	-11.9%	998,000	4.3%	1,027,000	2.9%	9,445,000	7.9%	9,602,000	1.7%	10,505,000	9.4%	10,325,000	-1.7%
Contracting	603,000	15.1%	617,000	2.3%	626,000	1.5%	923,000	47.4%	6,283,000	12.6%	6,239,000	-0.7%	7,472,000	19.8%	11,653,000	56.0%
Hotel/Motel	248,000	9.7%	317,000	27.8%	272,000	-14.2%	282,000	3.7%	2,282,000	10.3%	2,283,000	0.0%	2,503,000	9.6%	2,634,000	5.2%
Transient (Bed Tax)	467,000	5.9%	532,000	13.9%	527,000	-0.9%	543,000	3.0%	4,155,000	6.0%	4,330,000	4.2%	4,861,000	12.3%	5,764,000	18.6%
Amusements	113,000	-7.4%	130,000	15.0%	131,000	0.8%	112,000	-14.5%	1,591,000	-4.2%	1,431,000	-10.1%	1,511,000	5.6%	1,355,000	-10.3%
All Other	188,000	82.5%	99,000	-47.3%	89,000	-10.1%	80,000	-10.1%	1,217,000	-4.8%	1,502,000	23.4%	1,344,000	-10.5%	1,181,000	-12.1%
Totals	11,101,000	8.4%	10,858,000	-2.2%	11,039,000	1.7%	11,025,000	-0.1%	115,800,000	4.4%	119,425,000	3.1%	126,125,000	5.6%	128,366,000	1.8%
Tax Revenues - Retail Activities Breakdown																
Automotive	963,000	22.4%	938,000	-2.6%	1,039,000	10.8%	1,010,000	-2.8%	8,940,000	12.2%	9,849,000	10.2%	10,844,000	10.1%	11,073,000	2.1%
Furniture/Equipment/Electronics	1,073,000	-4.7%	1,233,000	14.9%	1,184,000	-4.0%	1,122,000	-5.2%	12,671,000	5.2%	13,500,000	6.5%	15,117,000	12.0%	14,074,000	-6.9%
Department Stores	1,007,000	6.6%	921,000	-8.5%	999,000	8.5%	901,000	-9.8%	11,201,000	5.8%	11,427,000	2.0%	11,409,000	-0.2%	10,843,000	-5.0%
Grocery Stores	680,000	17.2%	630,000	-7.4%	690,000	9.5%	703,000	1.9%	6,692,000	5.4%	6,985,000	4.4%	7,322,000	4.8%	7,713,000	5.3%
Drugs/Small Stores	629,000	11.7%	558,000	-11.3%	570,000	2.2%	516,000	-9.5%	6,562,000	7.4%	6,560,000	0.0%	6,786,000	3.4%	6,403,000	-5.6%
Manufacturing Firms	290,000	-10.5%	325,000	12.1%	306,000	-5.8%	303,000	-1.0%	3,818,000	9.3%	3,852,000	0.9%	3,371,000	-12.5%	2,970,000	-11.9%
Building Supply Stores	256,000	29.3%	288,000	12.5%	215,000	-25.3%	220,000	2.3%	2,001,000	3.3%	2,065,000	3.2%	2,172,000	5.2%	2,059,000	-5.2%
All Other Retail	738,000	-15.0%	683,000	-7.5%	670,000	-1.9%	743,000	10.9%	7,737,000	-11.9%	7,886,000	1.9%	8,569,000	8.7%	9,415,000	9.9%
Totals	5,636,000	4.5%	5,576,000	-1.1%	5,673,000	1.7%	5,518,000	-2.7%	59,622,000	4.1%	62,124,000	4.2%	65,590,000	5.6%	64,550,000	-1.6%
Tax Revenues - Business Districts																
Elliot Corridor	1,467,000	13.5%	1,563,000	6.5%	1,532,000	-2.0%	1,451,000	-5.3%	14,962,000	6.7%	16,997,000	13.6%	17,773,000	4.6%	17,466,000	-1.7%
Autoplex (included in Elliot Corridor)	668,000	31.0%	648,000	-3.0%	707,000	9.1%	678,000	-4.1%	6,009,000	14.8%	6,896,000	14.8%	7,432,000	7.8%	7,594,000	2.2%
Market Place	461,000	27.0%	445,000	-3.5%	484,000	8.8%	456,000	-5.8%	5,118,000	10.6%	5,297,000	3.5%	5,513,000	4.1%	5,434,000	-1.4%
Mills Mall	575,000	8.5%	473,000	-17.7%	518,000	9.5%	452,000	-12.7%	6,195,000	5.6%	6,011,000	-3.0%	5,963,000	-0.8%	5,477,000	-8.2%
Downtown Tempe	401,000	14.9%	407,000	1.5%	452,000	11.1%	465,000	2.9%	3,601,000	14.5%	3,625,000	0.7%	4,269,000	17.8%	4,579,000	7.3%
Apache Blvd.	277,000	38.5%	288,000	4.0%	232,000	-19.4%	240,000	3.4%	2,262,000	4.4%	2,294,000	1.4%	2,508,000	9.3%	2,462,000	-1.8%
ASU Properties	198,000	45.6%	152,000	-23.2%	157,000	3.3%	161,000	2.5%	1,983,000	24.6%	2,011,000	1.4%	2,198,000	9.3%	2,040,000	-7.2%
Rio Salado (1.8% and 3.0% Bed Tax)	288,000	3.2%	267,000	-7.3%	261,000	-2.2%	294,000	12.6%	2,853,000	3.9%	2,836,000	-0.6%	3,063,000	8.0%	3,264,000	6.6%
All Other Areas	7,434,000	4.8%	7,263,000	-2.3%	7,403,000	1.9%	7,506,000	1.4%	78,826,000	2.7%	80,354,000	1.9%	84,838,000	5.6%	87,644,000	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	7,326,000	705,000	10.6%
Aug	8.0%	6,554,000	6,747,000	193,000	2.9%
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	6,690,000	156,000	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	7,077,000	695,000	10.9%
Apr	9.2%	7,461,000	8,106,000	645,000	8.6%
May	8.2%	6,705,000	6,769,000	64,000	1.0%
Jun	8.2%	6,669,000			
Totals	100.0%	81,482,000	78,372,000	3,559,000	

Cumulative Amounts

	2014-15 Budget		2014-15 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
Jul	8.1%	6,621,000	7,326,000	705,000	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	35,392,000	1,970,000	5.9%
Jul-Dec	48.9%	39,917,000	41,830,000	1,913,000	4.8%
Jul-Jan	58.7%	47,863,000	50,122,000	2,259,000	4.7%
Jul-Feb	66.6%	54,265,000	56,420,000	2,155,000	4.0%
Jul-Mar	74.4%	60,647,000	63,497,000	2,850,000	4.7%
Jul-Apr	83.6%	68,108,000	71,603,000	3,495,000	5.1%
Jul-May	91.8%	74,813,000	78,372,000	3,559,000	4.8%
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	85,188,000	81,482,000	3,706,000	4.5%
Percentage Received	85,373,000	81,482,000	3,891,000	4.8%

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

Monthly Amounts

	2011-12	%	2012-13	%	2013-14	%	2014-15	%
Jul	874,000		933,000	6.8%	1,001,000	7.3%	1,012,000	1.1%
Aug	848,000	8.2%	868,000	2.4%	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%	6,000	-99.5%
May	922,000	7.1%	897,000	-2.7%	906,000	1.0%	5,000	-99.4%
Jun	868,000	5.0%	904,000	4.1%	912,000	0.9%		
Totals	10,562,000	13.3%	10,918,000	3.4%	11,380,000	4.2%	1,112,000	

Cumulative Amounts

	2011-12	%	2012-13	%	2013-14	%	2014-15	%
Jul	874,000		933,000	6.8%	1,001,000	7.3%	1,012,000	1.1%
Jul-Aug	1,722,000	119.6%	1,801,000	4.6%	1,944,000	7.9%	1,043,000	-46.3%
Jul-Sep	2,576,000	60.3%	2,693,000	4.5%	2,860,000	6.2%	1,057,000	-63.0%
Jul-Oct	3,452,000	40.7%	3,621,000	4.9%	3,822,000	5.6%	1,058,000	-72.3%
Jul-Nov	4,322,000	32.8%	4,486,000	3.8%	4,731,000	5.5%	1,072,000	-77.3%
Jul-Dec	5,160,000	27.3%	5,339,000	3.5%	5,612,000	5.1%	1,080,000	-80.8%
Jul-Jan	6,121,000	21.0%	6,364,000	4.0%	6,705,000	5.4%	1,084,000	-83.8%
Jul-Feb	6,965,000	17.9%	7,225,000	3.7%	7,595,000	5.1%	1,092,000	-85.6%
Jul-Mar	7,875,000	17.5%	8,090,000	2.7%	8,456,000	4.5%	1,101,000	-87.0%
Jul-Apr	8,772,000	14.9%	9,117,000	3.9%	9,562,000	4.9%	1,107,000	-88.4%
Jul-May	9,694,000	14.1%	10,014,000	3.3%	10,468,000	4.5%	1,112,000	-89.4%
Jul-Jun	10,562,000	13.3%	10,918,000	3.4%	11,380,000	4.2%		