

Memorandum



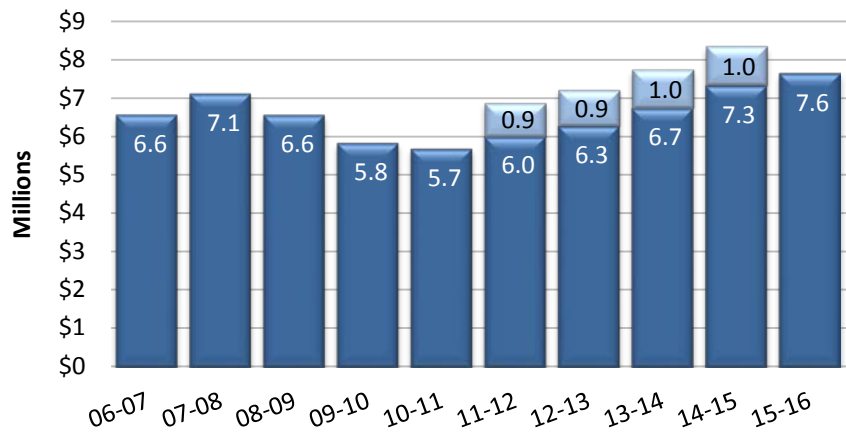
Municipal Budget Office

Date: August 10, 2015
 To: Mayor and Council
 From: Cecilia Robles, Budget Manager (350-8881)
 Subject: Tax Revenue Statistical Report – July 2015

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

The graph to the right depicts year-to-date General Fund historical privilege tax revenue from FY 2006-07 through FY 2015-16. While taxable sales increased by 4.7% over the same period in the prior fiscal year, General Fund Sales Tax revenue collected for FY 2015-16 is down 8.3% as a result of the expiration of the temporary tax. In terms of actual dollars received (\$7.6 million), we are \$0.7 million below last fiscal year (\$8.3 million). The category that saw the largest decline in terms of dollars received was Contracting, which decreased by \$0.3 million (21.4%).

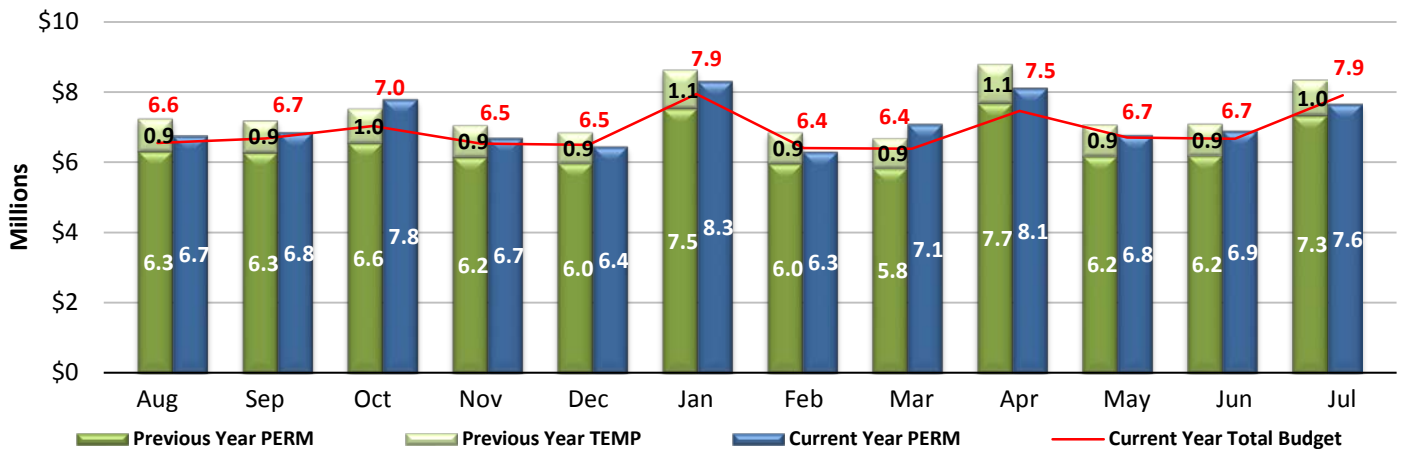
General Fund Sales Tax Collections through July



The graph below represents twelve months of activity, comparing current year General Fund monthly sales tax collections to the previous year. Current and previous years' collections are broken into two components: the 1.2% permanent tax and the expired 0.2% temporary tax.

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 \$258 thousand below budgeted projections for the month.

General Fund Monthly Sales Tax Collection vs. Previous Year



Executive Summary Year-to-Date Comparison - July

	2012-13	Change	2013-14	Change	2014-15	Change	2015-16	Change
Taxable Sales								
Total Taxable Sales	545,996,000	4.9%	584,815,000	7.1%	630,586,000	7.8%	660,460,000	4.7%
Retail Taxable Sales	278,237,000	11.1%	296,411,000	6.5%	305,430,000	3.0%	333,197,000	9.1%
Tax Revenues by Funds								
Privilege Tax - General Fund (1.2%)	6,280,000	4.5%	6,741,000	7.3%	7,326,000	8.7%	7,644,000	4.3%
Temporary Privilege Tax (.2%)	933,000	6.8%	1,001,000	7.3%	1,013,000	1.2%	4,000	-99.6%
Transit Tax Fund (.5%)	2,619,000	4.3%	2,813,000	7.4%	3,055,000	8.6%	3,187,000	4.3%
Arts Tax Fund (.1%)	540,000	4.7%	579,000	7.2%	628,000	8.5%	656,000	4.5%
Privilege Tax - Rebates Fund	326,000	8.3%	327,000	0.3%	343,000	4.9%	333,000	-2.9%
Bed Tax Fund	240,000	-1.6%	279,000	16.3%	325,000	16.5%	388,000	19.4%
Totals	10,938,000	4.6%	11,740,000	7.3%	12,690,000	8.1%	12,212,000	-3.8%

Tax Revenues - Business Activities

Retail	5,672,000	7.8%	6,218,000	9.6%	6,330,000	1.8%	6,217,000	-1.8%
Rentals	2,229,000	8.5%	2,236,000	0.3%	2,242,000	0.3%	2,246,000	0.2%
Utilities/Communication	967,000	5.0%	964,000	-0.3%	1,078,000	11.8%	922,000	-14.5%
Restaurants	808,000	2.9%	880,000	8.9%	906,000	3.0%	876,000	-3.3%
Contracting	615,000	-22.1%	726,000	18.0%	1,377,000	89.7%	1,083,000	-21.4%
Hotel/Motel	139,000	-4.1%	162,000	16.5%	164,000	1.2%	161,000	-1.8%
Transient (Bed Tax)	240,000	-1.6%	280,000	16.7%	326,000	16.4%	389,000	19.3%
Amusements	153,000	3.4%	177,000	15.7%	162,000	-8.5%	242,000	49.4%
All Other	114,000	8.6%	97,000	-14.9%	105,000	8.2%	76,000	-27.6%
Totals	10,937,000	4.6%	11,740,000	7.3%	12,690,000	8.1%	12,212,000	-3.8%

Tax Revenues - Retail Activities Breakdown

Automotive	872,000	16.4%	951,000	9.1%	1,050,000	10.4%	1,025,000	-2.4%
Furniture/Equipment/Electronics	1,300,000	14.0%	1,722,000	32.5%	1,516,000	-12.0%	1,403,000	-7.5%
Department Stores	972,000	3.5%	957,000	-1.5%	962,000	0.5%	910,000	-5.4%
Grocery Stores	585,000	0.3%	610,000	4.3%	654,000	7.2%	655,000	0.2%
Drugs/Small Stores	546,000	-5.5%	573,000	4.9%	625,000	9.1%	532,000	-14.9%
Manufacturing Firms	315,000	-2.5%	292,000	-7.3%	320,000	9.6%	379,000	18.4%
Building Supply Stores	189,000	1.6%	189,000	0.0%	195,000	3.2%	247,000	26.7%
All Other Retail	893,000	17.2%	924,000	3.5%	1,008,000	9.1%	1,066,000	5.8%
Totals	5,672,000	7.8%	6,218,000	9.6%	6,330,000	1.8%	6,217,000	-1.8%

Tax Revenues - Business Districts

Elliot Corridor	1,520,000	27.0%	1,686,000	10.9%	1,773,000	5.2%	1,595,000	-10.0%
Autoplex (included in Elliot Corridor)	582,000	23.0%	650,000	11.7%	698,000	7.4%	674,000	-3.4%
Market Place	483,000	12.9%	476,000	-1.4%	507,000	6.5%	497,000	-2.0%
Mills Mall	542,000	3.2%	529,000	-2.4%	507,000	-4.2%	487,000	-3.9%
Downtown Tempe	265,000	8.6%	297,000	12.1%	344,000	15.8%	330,000	-4.1%
Apache Blvd.	194,000	8.4%	204,000	5.2%	247,000	21.1%	198,000	-19.8%
ASU Properties	131,000	21.3%	139,000	6.1%	166,000	19.4%	109,000	-34.3%
Rio Salado	211,000	-8.3%	288,000	36.5%	285,000	-1.0%	274,000	-3.9%

**Privilege Tax Revenue - General Fund (1.2%)
2015-16 Actual Compared to Budget**

Monthly Amounts

	2015-16 Budget		2015-16 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
Jul	9.1%	7,906,000	7,644,000	(262,000)	-3.3%
Aug	7.9%	6,892,000			
Sep	8.0%	6,976,000			
Oct	9.1%	7,914,000			
Nov	7.8%	6,817,000			
Dec	7.5%	6,554,000			
Jan	9.7%	8,434,000			
Feb	7.3%	6,411,000			
Mar	8.3%	7,204,000			
Apr	9.5%	8,247,000			
May	7.9%	6,887,000			
Jun	8.1%	7,012,000			
Totals	100.2%	87,254,000	7,644,000	(262,000)	-0.3%

Cumulative Amounts

	2015-16 Budget		2015-16 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
Jul	9.1%	7,906,000	7,644,000	(262,000)	-3.3%
Jul-Aug	17.0%				
Jul-Sep	25.0%				
Jul-Oct	34.1%				
Jul-Nov	41.9%				
Jul-Dec	49.4%				
Jul-Jan	59.1%				
Jul-Feb	66.4%				
Jul-Mar	74.7%				
Jul-Apr	84.2%				
Jul-May	92.1%				
Jul-Jun	100.2%				

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Overage/Shortage	
	Projected	Budgeted	Amount	Percent
Percent of Increase	88,962,000	87,254,000	1,708,000	2.0%
Percentage Received	84,000,000	87,254,000	(3,254,000)	-3.7%

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

Monthly Amounts

	2012-13	%	2013-14	%	2014-15	%	2015-16	%
Jul	933,000	6.8%	1,001,000	7.3%	1,013,000	1.2%	4,000	-99.6%
Aug	868,000	2.4%	943,000	8.6%	31,000	-96.7%		
Sep	892,000	4.4%	916,000	2.7%	14,000	-98.5%		
Oct	928,000	5.9%	962,000	3.7%	1,000	-99.9%		
Nov	865,000	-0.6%	909,000	5.1%	14,000	-98.5%		
Dec	853,000	1.8%	881,000	3.3%	8,000	-99.1%		
Jan	1,025,000	6.7%	1,093,000	6.6%	4,000	-99.6%		
Feb	861,000	2.0%	890,000	3.4%	8,000	-99.1%		
Mar	865,000	-4.9%	861,000	-0.5%	9,000	-99.0%		
Apr	1,027,000	14.5%	1,106,000	7.7%	6,000	-99.5%		
May	897,000	-2.7%	906,000	1.0%	5,000	-99.4%		
Jun	904,000	4.1%	912,000	0.9%	7,000	-99.2%		
Totals	10,918,000	3.4%	11,380,000	4.2%	1,120,000	-90.2%	4,000	-99.6%

Cumulative Amounts

	2012-13	%	2013-14	%	2014-15	%	2015-16	%
Jul	933,000	6.8%	1,001,000	7.3%	1,013,000	1.2%	4,000	-99.6%
Jul-Aug	1,801,000	4.6%	1,944,000	7.9%	1,044,000	-46.3%		
Jul-Sep	2,693,000	4.5%	2,860,000	6.2%	1,058,000	-63.0%		
Jul-Oct	3,621,000	4.9%	3,822,000	5.6%	1,059,000	-72.3%		
Jul-Nov	4,486,000	3.8%	4,731,000	5.5%	1,073,000	-77.3%		
Jul-Dec	5,339,000	3.5%	5,612,000	5.1%	1,081,000	-80.7%		
Jul-Jan	6,364,000	4.0%	6,705,000	5.4%	1,085,000	-83.8%		
Jul-Feb	7,225,000	3.7%	7,595,000	5.1%	1,093,000	-85.6%		
Jul-Mar	8,090,000	2.7%	8,456,000	4.5%	1,102,000	-87.0%		
Jul-Apr	9,117,000	3.9%	9,562,000	4.9%	1,108,000	-88.4%		
Jul-May	10,014,000	3.3%	10,468,000	4.5%	1,113,000	-89.4%		
Jul-Jun	10,918,000	3.4%	11,380,000	4.2%	1,120,000	-90.2%		