

Memorandum



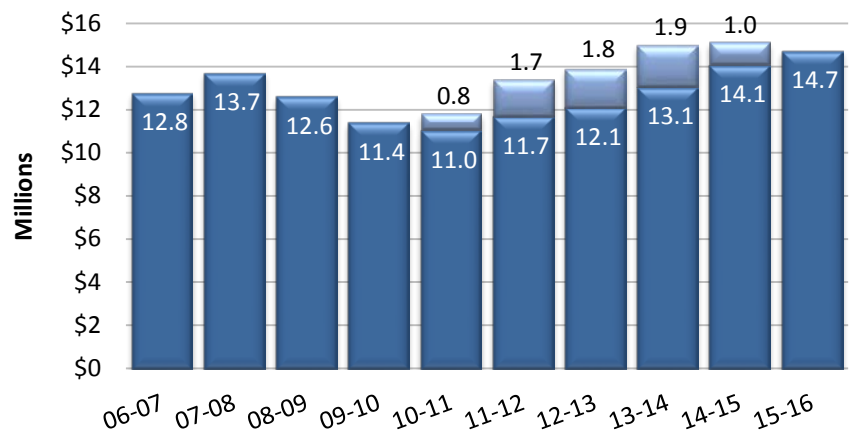
Municipal Budget Office

Date: September 3, 2015
 To: Mayor and Council
 From: Cecilia Robles, Budget Manager (350-8881)
 Subject: Tax Revenue Statistical Report – August 2015

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

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 4.4% over the same year-to-date period in the prior fiscal year, General Fund Sales Tax revenue collected for FY 2015-16 is down 2.5% as a result of the expiration of the temporary tax. In terms of actual dollars received (\$14.7 million), we are \$376 thousand below last fiscal year (\$15.1 million). The category that saw the largest decline in terms of dollars received was Utilities/Communication, which decreased by \$231 thousand (10.4%).

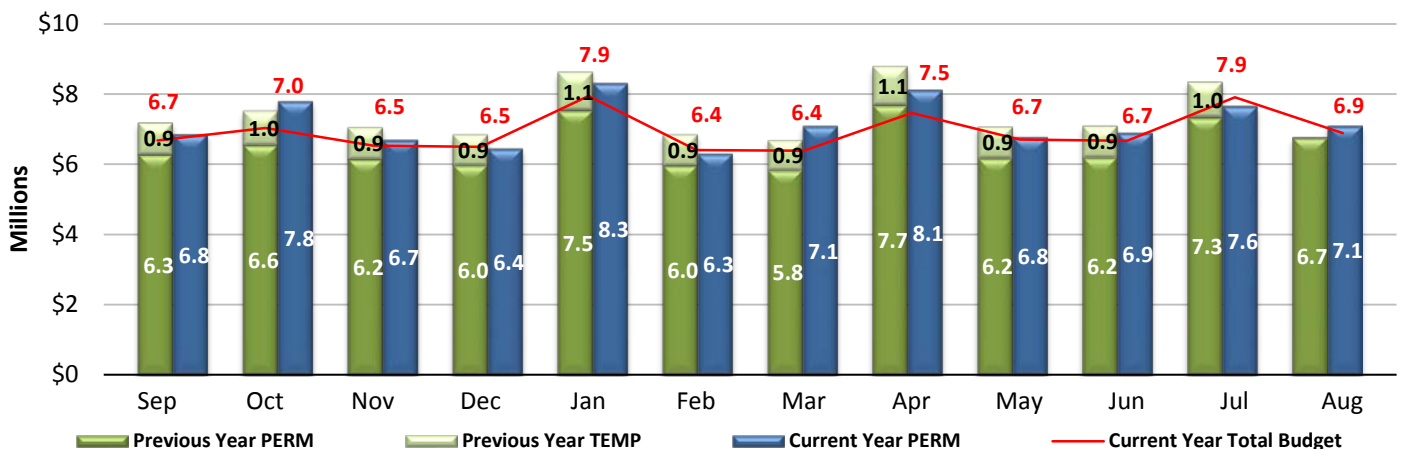
General Fund Sales Tax Collections through August



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 \$55 thousand below budgeted projections through August.

General Fund Monthly Sales Tax Collection vs. Previous Year



Executive Summary

	Current Month -August								Fiscal Year to Date through August							
	2012-13	Change	2013-14	Change	2014-15	Change	2015-16	Change	2012-13	Change	2013-14	Change	2014-15	Change	2015-16	Change
Taxable Sales																
Total Taxable Sales	505,624,000	-1.1%	540,713,000	6.9%	586,267,000	8.4%	609,568,000	4.0%	1,051,620,000	4.0%	1,125,528,000	7.0%	1,216,853,000	8.1%	1,270,028,000	4.4%
Retail Taxable Sales	253,242,000	2.0%	285,338,000	12.7%	306,889,000	7.6%	310,220,000	1.1%	531,479,000	7.6%	581,749,000	9.5%	612,319,000	5.3%	643,417,000	5.1%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	5,808,000	-3.0%	6,315,000	8.7%	6,748,000	6.9%	7,090,000	5.1%	12,088,000	3.5%	13,056,000	8.0%	14,074,000	7.8%	14,734,000	4.7%
Temporary Privilege Tax - General Fund	868,000	-49.6%	942,000	8.5%	31,000	-96.7%	4,000	-87.1%	1,801,000	4.6%	1,943,000	7.9%	1,044,000	-46.3%	8,000	-99.2%
Transit Tax Fund (.5%)	2,422,000	-3.2%	2,634,000	8.8%	2,814,000	6.8%	2,955,000	5.0%	5,041,000	3.4%	5,447,000	8.1%	5,869,000	7.7%	6,142,000	4.7%
Arts Tax Fund (.1%)	498,000	-2.9%	541,000	8.6%	578,000	6.8%	608,000	5.2%	1,038,000	3.6%	1,120,000	7.9%	1,206,000	7.7%	1,264,000	4.8%
Privilege Tax - Rebates Fund	268,000	49.7%	283,000	5.6%	263,000	-7.1%	284,000	8.0%	594,000	10.0%	610,000	2.7%	606,000	-0.7%	617,000	1.8%
Bed Tax Fund	229,000	-28.0%	218,000	-4.8%	289,000	32.6%	313,000	8.3%	469,000	2.4%	497,000	6.0%	614,000	23.5%	701,000	14.2%
Totals	10,093,000	-10.0%	10,933,000	8.3%	10,723,000	-1.9%	11,254,000	5.0%	21,031,000	3.7%	22,673,000	7.8%	23,413,000	3.3%	23,466,000	0.2%
Tax Revenues - Business Activities																
Retail	5,229,000	-8.4%	5,844,000	11.8%	5,664,000	-3.1%	5,833,000	3.0%	10,901,000	6.0%	12,062,000	10.7%	11,994,000	-0.6%	12,050,000	0.5%
Rentals	1,895,000	-8.2%	1,913,000	0.9%	1,678,000	-12.3%	1,781,000	6.1%	4,124,000	6.3%	4,149,000	0.6%	3,920,000	-5.5%	4,027,000	2.7%
Utilities/Communication	1,137,000	-4.1%	1,216,000	6.9%	1,141,000	-6.2%	1,066,000	-6.6%	2,104,000	1.8%	2,180,000	3.6%	2,219,000	1.8%	1,988,000	-10.4%
Restaurants	723,000	-18.9%	788,000	9.0%	790,000	0.3%	832,000	5.3%	1,531,000	0.3%	1,668,000	8.9%	1,696,000	1.7%	1,708,000	0.7%
Contracting	517,000	-21.9%	602,000	16.4%	788,000	30.9%	1,033,000	31.1%	1,132,000	-12.6%	1,328,000	17.3%	2,165,000	63.0%	2,116,000	-2.3%
Hotel/Motel	127,000	-13.6%	114,000	-10.2%	140,000	22.8%	153,000	9.3%	266,000	0.8%	276,000	3.8%	304,000	10.1%	314,000	3.3%
Transient (Bed Tax)	229,000	-28.0%	218,000	-4.8%	288,000	32.1%	313,000	8.7%	469,000	2.4%	498,000	6.2%	614,000	23.3%	702,000	14.3%
Amusements	139,000	-19.2%	147,000	5.8%	130,000	-11.6%	160,000	23.1%	292,000	-5.5%	324,000	11.0%	292,000	-9.9%	402,000	37.7%
All Other	98,000	42.0%	91,000	-7.1%	104,000	14.3%	83,000	-20.2%	212,000	6.0%	188,000	-11.3%	209,000	11.2%	159,000	-23.9%
Totals	10,094,000	-10.0%	10,933,000	8.3%	10,723,000	-1.9%	11,254,000	5.0%	21,031,000	3.7%	22,673,000	7.8%	23,413,000	3.3%	23,466,000	0.2%
Tax Revenues - Retail Activities Breakdown																
Automotive	862,000	-9.7%	951,000	10.3%	964,000	1.4%	998,000	3.5%	1,734,000	12.1%	1,902,000	9.7%	2,014,000	5.9%	2,023,000	0.4%
Furniture/Equipment/Electronics	1,118,000	-5.5%	1,700,000	52.1%	1,582,000	-6.9%	1,236,000	-21.9%	2,418,000	9.8%	3,422,000	41.5%	3,098,000	-9.5%	2,639,000	-14.8%
Department Stores	938,000	-11.6%	945,000	0.7%	876,000	-7.3%	918,000	4.8%	1,910,000	3.4%	1,902,000	-0.4%	1,838,000	-3.4%	1,828,000	-0.5%
Grocery Stores	523,000	-9.5%	578,000	10.5%	615,000	6.4%	642,000	4.4%	1,108,000	-0.2%	1,188,000	7.2%	1,269,000	6.8%	1,297,000	2.2%
Drugs/Small Stores	544,000	-7.3%	545,000	0.2%	503,000	-7.7%	485,000	-3.6%	1,090,000	-0.1%	1,118,000	2.6%	1,128,000	0.9%	1,017,000	-9.8%
Manufacturing Firms	397,000	-8.5%	237,000	-40.3%	325,000	37.1%	354,000	8.9%	712,000	2.3%	529,000	-25.7%	645,000	21.9%	733,000	13.6%
Building Supply Stores	184,000	4.5%	196,000	6.5%	156,000	-20.4%	210,000	34.6%	373,000	2.2%	385,000	3.2%	351,000	-8.8%	457,000	30.2%
All Other Retail	663,000	-9.3%	692,000	4.4%	643,000	-7.1%	990,000	54.0%	1,556,000	9.7%	1,616,000	3.9%	1,651,000	2.2%	2,056,000	24.5%
Totals	5,229,000	-8.3%	5,844,000	11.8%	5,664,000	-3.1%	5,833,000	3.0%	10,901,000	6.1%	12,062,000	10.7%	11,994,000	-0.6%	12,050,000	0.5%
Tax Revenues - Business Districts																
Elliot Corridor	1,375,000	2.1%	1,690,000	22.9%	1,556,000	-7.9%	1,568,000	0.8%	2,895,000	18.9%	3,376,000	16.6%	3,329,000	-1.4%	3,163,000	-5.0%
Autoplex (included in Elliot Corridor)	606,000	-3.2%	661,000	9.1%	661,000	0.0%	680,000	2.9%	1,188,000	19.0%	1,311,000	10.4%	1,359,000	3.7%	1,354,000	-0.4%
Market Place	395,000	-2.5%	418,000	5.8%	392,000	-6.2%	430,000	9.7%	878,000	11.4%	894,000	1.8%	899,000	0.6%	927,000	3.1%
Mills Mall	572,000	-13.5%	558,000	-2.4%	493,000	-11.6%	544,000	10.3%	1,114,000	-0.9%	1,087,000	-2.4%	1,000,000	-8.0%	1,031,000	3.1%
Downtown Tempe	229,000	-25.9%	311,000	35.8%	267,000	-14.1%	268,000	0.4%	494,000	3.3%	608,000	23.1%	611,000	0.5%	598,000	-2.1%
Apache Blvd.	173,000	-13.9%	196,000	13.3%	169,000	-13.8%	190,000	12.4%	367,000	3.7%	400,000	9.0%	416,000	4.0%	388,000	-6.7%
ASU Properties	136,000	-6.8%	142,000	4.4%	109,000	-23.2%	114,000	4.6%	267,000	27.8%	281,000	5.2%	275,000	-2.1%	223,000	-18.9%
Rio Salado (1.8% and 3.0% Bed Tax)	244,000	-1.6%	233,000	-4.5%	214,000	-8.2%	240,000	12.1%	455,000	-1.9%	521,000	14.5%	499,000	-4.2%	514,000	3.0%
All Other Areas	6,969,000	-11.8%	7,385,000	6.0%	7,523,000	1.9%	7,900,000	5.0%	14,561,000	0.9%	15,506,000	6.5%	16,384,000	5.7%	16,622,000	1.5%

**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	7,643,000	(263,000)	-3.3%
Aug	7.9%	6,892,000	7,091,000	199,000	2.9%
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	7.9%	7,012,000			
Totals	100.0%	87,254,000	14,734,000	(64,000)	-0.1%

Cumulative Amounts

	2015-16 Budget		2015-16 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
Jul	9.1%	7,906,000	7,643,000	(263,000)	-3.3%
Jul-Aug	17.0%		14,734,000	(64,000)	-0.4%
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	100.0%				

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Overage/Shortage	
	Projected	Budgeted	Amount	Percent
Percent of Increase	89,260,000	87,254,000	2,006,000	2.3%
Percentage Received	86,671,000	87,254,000	(583,000)	-0.7%

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

Monthly Amounts

	2012-13	%	2013-14	%	2014-15	%	2015-16	%
Jul	933,000	6.8%	1,000,000	7.2%	1,013,000	1.3%	4,000	-99.6%
Aug	868,000	2.4%	943,000	8.6%	31,000	-96.7%	4,000	-87.1%
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%	11,379,000	4.2%	1,120,000	-90.2%	8,000	-99.3%

Cumulative Amounts

	2012-13	%	2013-14	%	2014-15	%	2015-16	%
Jul	933,000	6.8%	1,000,000	7.2%	1,013,000	1.3%	4,000	-99.6%
Jul-Aug	1,801,000	4.6%	1,943,000	7.9%	1,044,000	-46.3%	8,000	-99.2%
Jul-Sep	2,693,000	4.5%	2,859,000	6.2%	1,058,000	-63.0%		
Jul-Oct	3,621,000	4.9%	3,821,000	5.5%	1,059,000	-72.3%		
Jul-Nov	4,486,000	3.8%	4,730,000	5.4%	1,073,000	-77.3%		
Jul-Dec	5,339,000	3.5%	5,611,000	5.1%	1,081,000	-80.7%		
Jul-Jan	6,364,000	4.0%	6,704,000	5.3%	1,085,000	-83.8%		
Jul-Feb	7,225,000	3.7%	7,594,000	5.1%	1,093,000	-85.6%		
Jul-Mar	8,090,000	2.7%	8,455,000	4.5%	1,102,000	-87.0%		
Jul-Apr	9,117,000	3.9%	9,561,000	4.9%	1,108,000	-88.4%		
Jul-May	10,014,000	3.3%	10,467,000	4.5%	1,113,000	-89.4%		
Jul-Jun	10,918,000	3.4%	11,379,000	4.2%	1,120,000	-90.2%		