

Memorandum

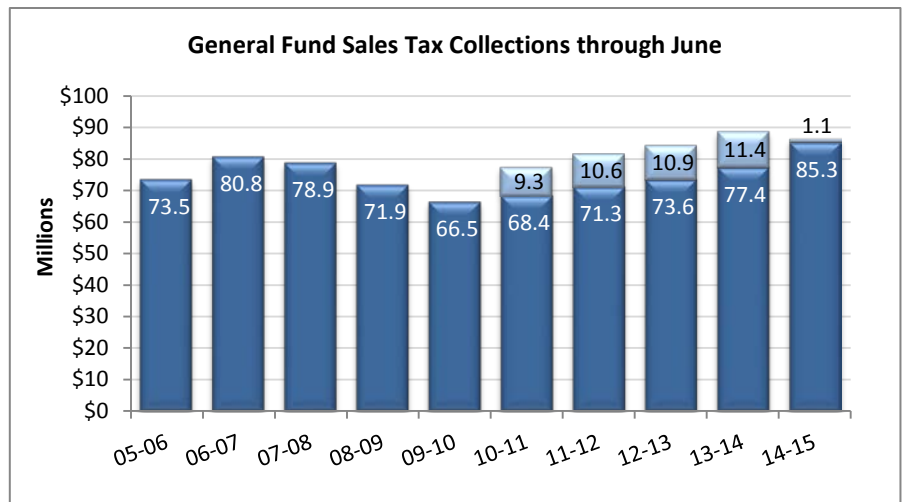


Municipal Budget Office

Date: July 8, 2015
 To: Mayor and Council
 From: Cecilia Robles, Budget Manager (350-8881)
 Subject: Tax Revenue Statistical Report – June 2015

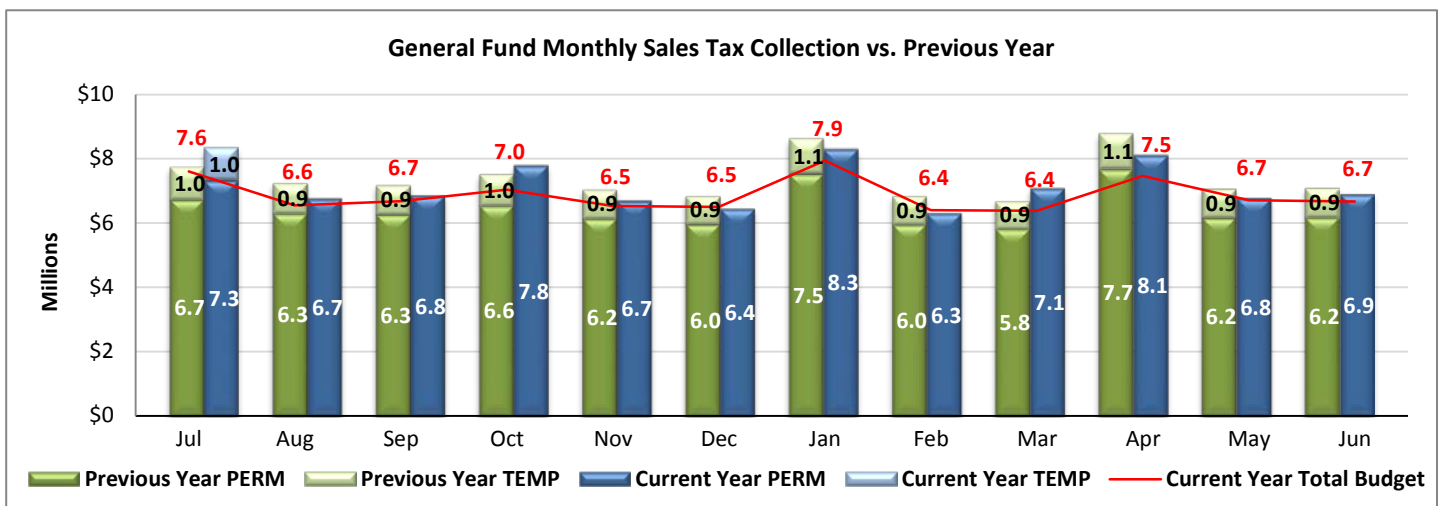
Attached is the Executive Summary of the Tax Revenue Statistical Report for June 2015 covering May sales activity reported to our Tax and License Division in June.

The graph to the right depicts year-to-date General Fund historical privilege tax revenue from FY 2005-06 through FY 2014-15. While taxable sales increased by 10.0% over last fiscal year, General Fund Sales Tax revenue collected for FY 2014-15 is down 2.7% as a result of the expiration of the temporary tax. In terms of actual dollars received (\$86.4 million), we are \$2.4 million below last fiscal year (\$88.8 million). The leading category of growth in terms of dollars received was Contracting, which grew by 56.1%. This is consistent with our February 2015 forecast for FY 2014-15 (\$85.5 million), which is significantly stronger than initial budget estimates.



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 \$228 thousand above budgeted projections for the month.



Executive Summary

	Current Month -June								Fiscal Year to Date through June							
	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	504,325,000	7.8%	540,790,000	7.2%	542,685,000	0.4%	596,622,000	9.9%	#####	3.1%	6,447,966,000	3.5%	6,771,749,000	5.0%	7,448,272,000	10.0%
Retail Taxable Sales	259,137,000	6.4%	283,152,000	9.3%	280,016,000	-1.1%	298,434,000	6.6%	#####	1.9%	3,319,152,000	4.8%	3,475,753,000	4.7%	3,715,736,000	6.9%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	5,793,000	6.5%	6,049,000	4.4%	6,192,000	2.4%	6,889,000	11.3%	71,287,000	4.2%	73,551,000	3.2%	77,392,000	5.2%	85,261,000	10.2%
Temporary Privilege Tax - General Fund	868,000	5.1%	904,000	4.1%	912,000	0.9%	7,000	-99.2%	10,562,000	13.3%	10,918,000	3.4%	11,380,000	4.2%	1,119,000	-90.2%
Transit Tax Fund (.5%)	2,437,000	7.5%	2,520,000	3.4%	2,583,000	2.5%	2,873,000	11.2%	29,749,000	4.3%	30,674,000	3.1%	32,288,000	5.3%	35,556,000	10.1%
Arts Tax Fund (.1%)	503,000	7.5%	520,000	3.4%	533,000	2.5%	593,000	11.3%	6,146,000	4.4%	6,337,000	3.1%	6,667,000	5.2%	7,340,000	10.1%
Privilege Tax - Rebates Fund	352,000	29.9%	309,000	-12.2%	334,000	8.1%	326,000	-2.4%	3,853,000	-7.1%	3,917,000	1.7%	4,092,000	4.5%	4,014,000	-1.9%
Bed Tax Fund	371,000	13.1%	360,000	-3.0%	394,000	9.4%	450,000	14.2%	4,527,000	6.6%	4,690,000	3.6%	5,254,000	12.0%	6,214,000	18.3%
Totals	10,324,000	7.5%	10,662,000	3.3%	10,948,000	2.7%	11,138,000	1.7%	126,124,000	4.6%	130,087,000	3.1%	137,073,000	5.4%	139,504,000	1.8%
Tax Revenues - Business Activities																
Retail	5,352,000	5.0%	5,620,000	5.0%	5,744,000	2.2%	5,616,000	-2.2%	64,974,000	4.2%	67,744,000	4.3%	71,334,000	5.3%	70,166,000	-1.6%
Rentals	1,844,000	4.8%	1,869,000	1.4%	1,835,000	-1.8%	1,795,000	-2.2%	23,504,000	3.7%	24,019,000	2.2%	23,946,000	-0.3%	22,989,000	-4.0%
Utilities/Communication	897,000	12.3%	914,000	1.9%	929,000	1.6%	798,000	-14.1%	10,442,000	1.4%	10,678,000	2.3%	11,157,000	4.5%	10,508,000	-5.8%
Restaurants	845,000	1.8%	894,000	5.8%	993,000	11.1%	982,000	-1.1%	10,290,000	7.4%	10,496,000	2.0%	11,498,000	9.5%	11,307,000	-1.7%
Contracting	548,000	40.2%	578,000	5.5%	616,000	6.6%	971,000	57.6%	6,831,000	14.4%	6,817,000	-0.2%	8,088,000	18.6%	12,624,000	56.1%
Hotel/Motel	198,000	7.6%	190,000	-4.0%	208,000	9.5%	233,000	12.0%	2,480,000	10.1%	2,473,000	-0.3%	2,711,000	9.6%	2,867,000	5.8%
Transient (Bed Tax)	372,000	13.4%	361,000	-3.0%	393,000	8.9%	450,000	14.5%	4,527,000	6.6%	4,691,000	3.6%	5,254,000	12.0%	6,214,000	18.3%
Amusements	163,000	19.9%	141,000	-13.5%	148,000	5.0%	133,000	-10.1%	1,754,000	-2.4%	1,572,000	-10.4%	1,659,000	5.5%	1,488,000	-10.3%
All Other	105,000	34.6%	95,000	-9.5%	82,000	-13.7%	160,000	95.1%	1,322,000	-2.6%	1,597,000	20.8%	1,426,000	-10.7%	1,341,000	-6.0%
Totals	10,324,000	7.5%	10,662,000	3.3%	10,948,000	2.7%	11,138,000	1.7%	126,124,000	4.6%	130,087,000	3.1%	137,073,000	5.4%	139,504,000	1.8%
Tax Revenues - Retail Activities Breakdown																
Automotive	1,006,000	30.0%	993,000	-1.3%	1,136,000	14.4%	1,109,000	-2.4%	9,946,000	13.8%	10,842,000	9.0%	11,980,000	10.5%	12,182,000	1.7%
Furniture/Equipment/Electronics	1,029,000	-0.9%	1,333,000	29.5%	1,217,000	-8.7%	1,108,000	-9.0%	13,700,000	4.8%	14,833,000	8.3%	16,334,000	10.1%	15,182,000	-7.1%
Department Stores	938,000	1.3%	932,000	-0.6%	938,000	0.6%	912,000	-2.8%	12,139,000	5.4%	12,359,000	1.8%	12,347,000	-0.1%	11,755,000	-4.8%
Grocery Stores	612,000	8.9%	617,000	0.8%	656,000	6.3%	665,000	1.4%	7,304,000	5.6%	7,602,000	4.1%	7,978,000	4.9%	8,378,000	5.0%
Drugs/Small Stores	556,000	8.8%	551,000	-0.9%	593,000	7.6%	609,000	2.7%	7,118,000	7.5%	7,111,000	-0.1%	7,379,000	3.8%	7,012,000	-5.0%
Manufacturing Firms	302,000	15.3%	281,000	-7.0%	271,000	-3.6%	254,000	-6.3%	4,120,000	9.7%	4,133,000	0.3%	3,642,000	-11.9%	3,224,000	-11.5%
Building Supply Stores	185,000	2.8%	202,000	9.2%	202,000	0.0%	248,000	22.8%	2,186,000	3.2%	2,267,000	3.7%	2,374,000	4.7%	2,307,000	-2.8%
All Other Retail	724,000	-13.9%	711,000	-1.8%	731,000	2.8%	711,000	-2.7%	8,461,000	-12.1%	8,597,000	1.6%	9,300,000	8.2%	10,126,000	8.9%
Totals	5,352,000	5.1%	5,620,000	5.0%	5,744,000	2.2%	5,616,000	-2.2%	64,974,000	4.2%	67,744,000	4.3%	71,334,000	5.3%	70,166,000	-1.6%
Tax Revenues - Business Districts																
Elliot Corridor	1,471,000	16.0%	1,761,000	19.7%	1,699,000	-3.5%	1,631,000	-4.0%	16,433,000	7.5%	18,758,000	14.1%	19,472,000	3.8%	19,097,000	-1.9%
Autoplex (included in Elliot Corridor)	697,000	38.6%	693,000	-0.6%	761,000	9.8%	768,000	0.9%	6,706,000	16.8%	7,589,000	13.2%	8,193,000	8.0%	8,362,000	2.1%
Market Place	451,000	5.4%	464,000	2.9%	485,000	4.5%	481,000	-0.8%	5,569,000	10.1%	5,761,000	3.4%	5,998,000	4.1%	5,915,000	-1.4%
Mills Mall	523,000	6.7%	484,000	-7.5%	478,000	-1.2%	481,000	0.6%	6,718,000	5.7%	6,495,000	-3.3%	6,441,000	-0.8%	5,958,000	-7.5%
Downtown Tempe	315,000	12.1%	318,000	1.0%	372,000	17.0%	421,000	13.2%	3,916,000	14.3%	3,943,000	0.7%	4,641,000	17.7%	5,000,000	7.7%
Apache Blvd.	245,000	31.7%	212,000	-13.5%	203,000	-4.2%	216,000	6.4%	2,507,000	6.6%	2,506,000	0.0%	2,711,000	8.2%	2,678,000	-1.2%
ASU Properties	135,000	10.7%	146,000	8.1%	154,000	5.5%	152,000	-1.3%	2,118,000	23.6%	2,157,000	1.8%	2,352,000	9.0%	2,192,000	-6.8%
Rio Salado (1.8% and 3.0% Bed Tax)	290,000	22.9%	299,000	3.1%	249,000	-16.7%	268,000	7.6%	3,143,000	5.4%	3,135,000	-0.3%	3,312,000	5.6%	3,532,000	6.6%
All Other Areas	6,894,000	4.6%	6,978,000	1.2%	7,308,000	4.7%	7,488,000	2.5%	85,720,000	2.8%	87,332,000	1.9%	92,146,000	5.5%	95,132,000	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	7,326,000	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	6,889,000	220,000	3.3%
Totals	100.0%	81,482,000	85,261,000	3,779,000	4.6%

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	85,261,000	3,779,000	4.6%

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Overage/Shortage	
	Projected	Budgeted	Amount	Percent
Percent of Increase	85,261,000	81,482,000	3,779,000	4.6%
Percentage Received	85,261,000	81,482,000	3,779,000	4.6%

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

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%	7,000	-99.2%
Totals	10,562,000	13.3%	10,918,000	3.4%	11,380,000	4.2%	1,119,000	-90.2%

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%	1,119,000	-90.2%