

Memorandum



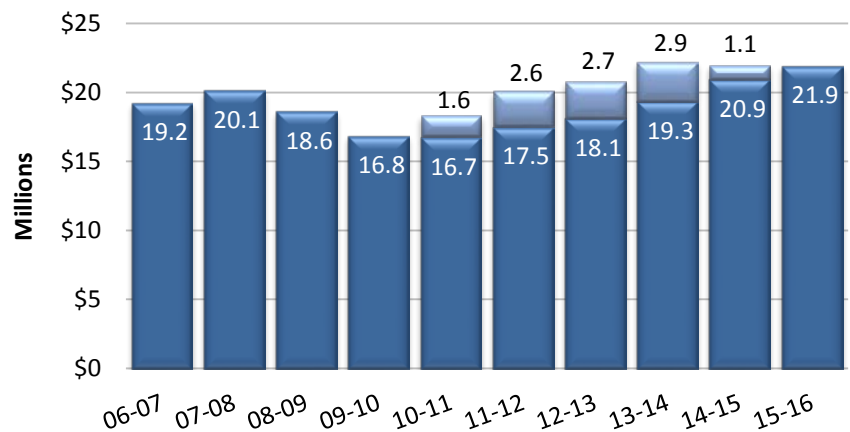
Municipal Budget Office

Date: October 16, 2015
 To: Mayor and Council
 From: Cecilia Robles, Budget Manager (350-8881)
 Subject: Tax Revenue Statistical Report – September 2015

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

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 4.9% over the same year-to-date period in the prior fiscal year, General Fund Sales Tax revenue collected for FY 2015-16 is down 0.3% (\$64 thousand), as a result of the expiration of the temporary tax. However, bed tax revenues are up by 10.5%, \$97 thousand ahead of the prior fiscal year.

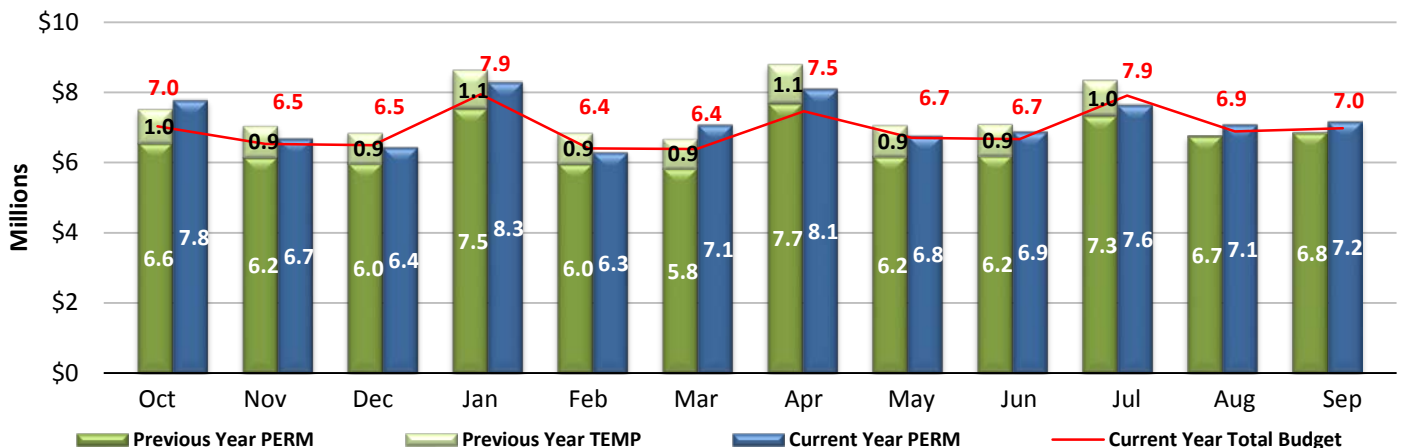
General Fund Sales Tax Collections through September



The graph below represents twelve months of activity, comparing current year General Fund monthly sales tax collections to the previous year. 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 \$142 thousand above budgeted projections through September.

General Fund Monthly Sales Tax Collection vs. Previous Year



Executive Summary

	Current Month -September						Fiscal Year to Date through September									
	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	523,756,000	2.0%	548,316,000	4.7%	589,372,000	7.5%	624,607,000	6.0%	1,575,376,000	3.4%	1,673,844,000	6.3%	1,806,225,000	7.9%	1,894,635,000	4.9%
Retail Taxable Sales	223,825,000	-14.3%	282,623,000	26.3%	308,010,000	9.0%	317,326,000	3.0%	807,044,000	6.9%	864,372,000	7.1%	920,329,000	6.5%	960,743,000	4.4%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	5,400,000	-7.0%	6,279,000	16.3%	6,846,000	9.0%	7,170,000	4.7%	18,090,000	3.4%	19,335,000	6.9%	20,920,000	8.2%	21,904,000	4.7%
Temporary Privilege Tax - General Fund	774,000	-9.4%	916,000	18.3%	14,000	-98.5%	3,000	-78.6%	2,694,000	4.6%	2,859,000	6.1%	1,058,000	-63.0%	11,000	-99.0%
Transit Tax Fund (.5%)	2,254,000	-6.8%	2,619,000	16.2%	2,855,000	9.0%	2,989,000	4.7%	7,545,000	3.4%	8,066,000	6.9%	8,724,000	8.2%	9,131,000	4.7%
Arts Tax Fund (.1%)	466,000	-7.2%	542,000	16.3%	589,000	8.7%	618,000	4.9%	1,555,000	3.4%	1,662,000	6.9%	1,795,000	8.0%	1,882,000	4.8%
Privilege Tax - Rebates Fund	307,000	-15.0%	340,000	10.7%	314,000	-7.6%	341,000	8.6%	907,000	0.7%	950,000	4.7%	920,000	-3.2%	958,000	4.1%
Bed Tax Fund	229,000	-4.6%	331,000	44.5%	308,000	-6.9%	318,000	3.2%	699,000	0.1%	828,000	18.5%	922,000	11.4%	1,019,000	10.5%
Totals	9,430,000	-7.4%	11,027,000	16.9%	10,926,000	-0.9%	11,439,000	4.7%	31,490,000	3.4%	33,700,000	7.0%	34,339,000	1.9%	34,905,000	1.6%
Tax Revenues - Business Activities																
Retail	4,720,000	-11.6%	5,801,000	22.9%	5,738,000	-1.1%	5,901,000	2.8%	16,535,000	5.9%	17,863,000	8.0%	17,732,000	-0.7%	17,951,000	1.2%
Rentals	1,520,000	-13.9%	1,800,000	18.4%	1,850,000	2.8%	1,892,000	2.3%	5,880,000	4.2%	5,949,000	1.2%	5,770,000	-3.0%	5,919,000	2.6%
Utilities/Communication	1,087,000	-3.3%	1,158,000	6.5%	1,098,000	-5.2%	1,071,000	-2.5%	3,235,000	1.4%	3,338,000	3.2%	3,317,000	-0.6%	3,059,000	-7.8%
Restaurants	753,000	-0.5%	866,000	15.0%	796,000	-8.1%	916,000	15.1%	2,307,000	1.0%	2,534,000	9.8%	2,492,000	-1.7%	2,624,000	5.3%
Contracting	737,000	28.4%	642,000	-12.9%	692,000	7.8%	919,000	32.8%	1,676,000	-10.3%	1,970,000	17.5%	2,857,000	45.0%	3,035,000	6.2%
Hotel/Motel	137,000	-1.4%	160,000	16.8%	141,000	-11.9%	158,000	12.1%	391,000	-3.0%	436,000	11.5%	445,000	2.1%	472,000	6.1%
Transient (Bed Tax)	229,000	-4.6%	331,000	44.5%	309,000	-6.6%	318,000	2.9%	699,000	0.1%	829,000	18.6%	923,000	11.3%	1,020,000	10.5%
Amusements	162,000	11.7%	123,000	-24.1%	115,000	-6.5%	104,000	-9.6%	404,000	-11.0%	447,000	10.6%	407,000	-8.9%	506,000	24.3%
All Other	85,000	-12.4%	146,000	71.8%	187,000	28.1%	160,000	-14.4%	363,000	22.2%	334,000	-8.0%	396,000	18.6%	319,000	-19.4%
Totals	9,430,000	-7.4%	11,027,000	16.9%	10,926,000	-0.9%	11,439,000	4.7%	31,490,000	3.4%	33,700,000	7.0%	34,339,000	1.9%	34,905,000	1.6%
Tax Revenues - Retail Activities Breakdown																
Automotive	600,000	-23.8%	967,000	61.2%	1,090,000	12.7%	1,060,000	-2.8%	2,635,000	12.9%	2,869,000	8.9%	3,104,000	8.2%	3,083,000	-0.7%
Furniture/Equipment/Electronics	875,000	-19.8%	1,224,000	39.9%	1,153,000	-5.8%	1,183,000	2.6%	3,688,000	12.0%	4,646,000	26.0%	4,251,000	-8.5%	3,822,000	-10.1%
Department Stores	1,029,000	-5.7%	1,091,000	6.0%	1,042,000	-4.5%	1,077,000	3.4%	3,086,000	5.0%	2,993,000	-3.0%	2,880,000	-3.8%	2,905,000	0.9%
Grocery Stores	593,000	0.3%	637,000	7.4%	672,000	5.5%	674,000	0.3%	1,694,000	-0.4%	1,825,000	7.7%	1,941,000	6.4%	1,971,000	1.5%
Drugs/Small Stores	605,000	0.2%	689,000	13.9%	623,000	-9.6%	584,000	-6.3%	1,698,000	0.2%	1,807,000	6.4%	1,751,000	-3.1%	1,601,000	-8.6%
Manufacturing Firms	301,000	-5.0%	267,000	-11.3%	224,000	-16.1%	274,000	22.3%	993,000	-2.0%	796,000	-19.8%	869,000	9.2%	1,007,000	15.9%
Building Supply Stores	162,000	-4.7%	182,000	12.3%	187,000	2.7%	184,000	-1.6%	525,000	-1.9%	567,000	8.0%	538,000	-5.1%	641,000	19.1%
All Other Retail	555,000	-19.8%	744,000	34.1%	747,000	0.4%	865,000	15.8%	2,216,000	5.0%	2,360,000	6.5%	2,398,000	1.6%	2,921,000	21.8%
Totals	4,720,000	-11.7%	5,801,000	22.9%	5,738,000	-1.1%	5,901,000	2.8%	16,535,000	5.9%	17,863,000	8.0%	17,732,000	-0.7%	17,951,000	1.2%
Tax Revenues - Business Districts																
Elliot Corridor	932,000	-66.0%	1,702,000	82.6%	1,754,000	3.1%	1,672,000	-4.7%	4,601,000	20.2%	5,078,000	10.4%	5,083,000	0.1%	4,835,000	-4.9%
Autoplex (included in Elliot Corridor)	327,000	-36.8%	670,000	104.9%	785,000	17.2%	731,000	-6.9%	1,821,000	20.2%	1,981,000	8.8%	2,144,000	8.2%	2,085,000	-2.8%
Market Place	363,000	-19.9%	495,000	36.4%	457,000	-7.7%	490,000	7.2%	1,339,000	7.9%	1,389,000	3.7%	1,356,000	-2.4%	1,417,000	4.5%
Mills Mall	505,000	2.0%	475,000	-5.9%	430,000	-9.5%	444,000	3.3%	1,618,000	-0.1%	1,562,000	-3.5%	1,430,000	-8.5%	1,475,000	3.1%
Downtown Tempe	232,000	-6.5%	264,000	13.8%	313,000	18.6%	317,000	1.3%	748,000	3.0%	872,000	16.6%	924,000	6.0%	915,000	-1.0%
Apache Blvd.	172,000	-7.0%	212,000	23.3%	213,000	0.5%	226,000	6.1%	534,000	-0.9%	612,000	14.6%	629,000	2.8%	614,000	-2.4%
ASU Properties	140,000	-29.3%	302,000	115.7%	294,000	-2.6%	330,000	12.2%	487,000	19.7%	583,000	19.7%	569,000	-2.4%	553,000	-2.8%
Rio Salado (1.8% and 3.0% Bed Tax)	262,000	3.6%	214,000	-18.3%	244,000	14.0%	236,000	-3.3%	629,000	-12.3%	735,000	16.9%	743,000	1.1%	750,000	0.9%
All Other Areas	6,824,000	-1.9%	7,363,000	7.9%	7,221,000	-1.9%	7,724,000	7.0%	21,534,000	0.7%	22,869,000	6.2%	23,605,000	3.2%	24,346,000	3.1%

**Privilege Tax Revenue - General Fund (1.2%)
Year-to-Date Comparison - September**

Monthly Amounts

	2012-13	%	2013-14	%	2014-15	%	2015-16	%
Jul	6,279,000	4.5%	6,741,000	7.4%	7,325,000	8.7%	7,644,000	4.4%
Aug	5,808,000	2.3%	6,315,000	8.7%	6,748,000	6.9%	7,091,000	5.1%
Sep	6,003,000	3.4%	6,279,000	4.6%	6,847,000	9.0%	7,169,000	4.7%
Oct	6,332,000	2.6%	6,552,000	3.5%	7,782,000	18.8%		
Nov	5,883,000	0.9%	6,152,000	4.6%	6,690,000	8.7%		
Dec	5,711,000	1.9%	5,978,000	4.7%	6,438,000	7.7%		
Jan	6,943,000	9.0%	7,525,000	8.4%	8,292,000	10.2%		
Feb	5,815,000	2.4%	5,970,000	2.7%	6,298,000	5.5%		
Mar	5,719,000	-6.4%	5,834,000	2.0%	7,077,000	21.3%		
Apr	6,951,000	16.0%	7,676,000	10.4%	8,106,000	5.6%		
May	6,058,000	-3.1%	6,177,000	2.0%	6,769,000	9.6%		
Jun	6,048,000	4.4%	6,192,000	2.4%	6,889,000	11.3%		
Total	73,550,000	3.2%	77,391,000	5.2%	85,261,000	10.2%	21,904,000	

Cumulative Amounts

	2012-13	%	2013-14	%	2014-15	%	2015-16	%
Jul	6,279,000	4.5%	6,741,000	7.4%	7,325,000	8.7%	7,644,000	4.4%
Jul-Aug	12,087,000	3.4%	13,056,000	8.0%	14,073,000	7.8%	14,735,000	4.7%
Jul-Sep	18,090,000	3.4%	19,335,000	6.9%	20,920,000	8.2%	21,904,000	4.7%
Jul-Oct	24,422,000	3.2%	25,887,000	6.0%	28,702,000	10.9%		
Jul-Nov	30,305,000	2.8%	32,039,000	5.7%	35,392,000	10.5%		
Jul-Dec	36,016,000	2.6%	38,017,000	5.6%	41,830,000	10.0%		
Jul-Jan	42,959,000	3.6%	45,542,000	6.0%	50,122,000	10.1%		
Jul-Feb	48,774,000	3.5%	51,512,000	5.6%	56,420,000	9.5%		
Jul-Mar	54,493,000	2.3%	57,346,000	5.2%	63,497,000	10.7%		
Jul-Apr	61,444,000	3.7%	65,022,000	5.8%	71,603,000	10.1%		
Jul-May	67,502,000	3.1%	71,199,000	5.5%	78,372,000	10.1%		
Jul-Jun	73,550,000	3.2%	77,391,000	5.2%	85,261,000	10.2%		

This schedule presents General Fund privilege tax revenues (1.2%) reported in the City of Tempe for the past four fiscal years. These revenues do not include amounts transferred to the Transit, Performing Arts, and Tax Rebates funds. The percentages shown to the right of each amount reflect the percentage increase or decrease of that amount when compared to the applicable amount for the preceding year.

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

Monthly Amounts

	2012-13	%	2013-14	%	2014-15	%	2015-16	%
Jul	934,000	6.9%	1,000,000	7.1%	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%	3,000	-78.6%
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	10,919,000	3.4%	11,379,000	4.2%	1,120,000	-90.2%	11,000	

Cumulative Amounts

	2012-13	%	2013-14	%	2014-15	%	2015-16	%
Jul	934,000	6.9%	1,000,000	7.1%	1,013,000	1.3%	4,000	-99.6%
Jul-Aug	1,802,000	4.6%	1,943,000	7.8%	1,044,000	-46.3%	8,000	-99.2%
Jul-Sep	2,694,000	4.6%	2,859,000	6.1%	1,058,000	-63.0%	11,000	-99.0%
Jul-Oct	3,622,000	4.9%	3,821,000	5.5%	1,059,000	-72.3%		
Jul-Nov	4,487,000	3.8%	4,730,000	5.4%	1,073,000	-77.3%		
Jul-Dec	5,340,000	3.5%	5,611,000	5.1%	1,081,000	-80.7%		
Jul-Jan	6,365,000	4.0%	6,704,000	5.3%	1,085,000	-83.8%		
Jul-Feb	7,226,000	3.7%	7,594,000	5.1%	1,093,000	-85.6%		
Jul-Mar	8,091,000	2.7%	8,455,000	4.5%	1,102,000	-87.0%		
Jul-Apr	9,118,000	3.9%	9,561,000	4.9%	1,108,000	-88.4%		
Jul-May	10,015,000	3.3%	10,467,000	4.5%	1,113,000	-89.4%		
Jul-Jun	10,919,000	3.4%	11,379,000	4.2%	1,120,000	-90.2%		